

AGENDA OF A REGULAR MEETING - SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

COUNCIL CHAMBERS
CIVIC CENTER
1243 National City Blvd.
National City, California
TUESDAY, JUNE 20, 2017 – 6:00 PM

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency begin at 6:00 p.m. on the first and third Tuesday of each month. Public hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted on the agenda. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda.

REPORTS: All regular meeting agenda items and reports as well as all documents and writings distributed to the Board less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Board are webcast and archived on the City's website **www.nationalcityca.gov**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Board will receive public comments regarding any matters within the jurisdiction of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. Members of the public may also address any item on the agenda at the time the item is considered by the Board. Persons who wish to address the Board are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

WRITTEN AGENDA: With limited exceptions, the Board may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT AGENDA: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

RON MORRISON Chairman

JERRY CANO Boardmember

ALBERT MENDIVIL Boardmember

MONA RIOS Boardmember

ALEJANDRA SOTELO-SOLIS Boardmember

1243 National City Blvd. National City 619-336-4240

Meeting agendas and minutes available on web

WWW.NATIONALCITYCA.GOV

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Board Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audiófonos están disponibles en el pasillo al principio de la junta.

THE BOARD REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING BOARD MEETINGS.

SUCCESSOR AGENCY AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

CONSENT CALENDAR

- 1. <u>Approval of the Minutes of the Regular Meetings of the Successor Agency to the Community Development Commission as the National City</u>
 Redevelopment Agency of May 16, 2017 and June 6, 2017. (City Clerk)
- 2. Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute an Agreement with EnSafe, Inc. (who recently acquired E2 ManageTech, Inc.) in the not to exceed amount of \$200,000 to assist with obtaining regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the Westside Infill Transit Oriented Development (WI-TOD) Project site located at 2100 and 2020 Hoover Avenue, and future Park site development located on the west side of Paradise Creek, pursuant to the Agency's obligation to carry out the Disposition and Development Agreement by and between the Community Development Commission of the City of National City and Paradise Creek Housing Partners, LP., dated June 21, 2011. (Housing & Economic Development)
- 3. Investment transactions for the month ended April 30, 2017. (Finance)
- 4. <u>Successor Agency Warrant Register #44 for the period of 04/26/17</u> through 05/02/17 in the amount of \$6,862.83. (Finance)
- 5. <u>Successor Agency Warrant Register #45 for the period of 05/03/17 through 05/09/17 in the amount of \$0.00. (Finance)</u>
- 6. Successor Agency Warrant Register #46 for the period of 05/10/17 through 05/16/17 in the amount of \$1,500.00. (Finance)

PUBLIC HEARINGS

NON CONSENT RESOLUTIONS

7. Resolution of the Board of Directors of the Successor Agency to the Community Development Commission as the National City

Redevelopment Agency Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount of Not to Exceed \$58,000,000 and Approving the Form of an Indenture of Trust, a Form of Escrow Agreement and a Continuing Disclosure Certificate and Authorizing Certain Other Actions in Connection Therewith. (Successor Agency)

NEW BUSINESS

STAFF REPORTS

MEMBER REPORTS

CLOSED SESSION REPORT

ADJOURNMENT

Adjourned Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency - Tuesday - August 1, 2017 - 5:00 p.m. - Council Chambers - National City, California. (Adjourned Regular Meeting of the Successor Agency to start at 5:00 p.m. due to the "National Night Out Event")

The following page(s) contain the backup material for Agenda Item: Approval of the Minutes of the Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of May 16, 2017 and June 6, 2017. (City Clerk)

Item #____ 06/20/17

APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY OF MAY 16, 2017 AND JUNE 6, 2017.

(City Clerk)

<u>DRAFT</u> <u>DRAFT</u> <u>DRAFT</u>

MINUTES OF THE REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

MAY 16, 2017

The Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 9:33 p.m. by Chairman Ron Morrison.

ROLL CALL

Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Board members absent: None

Administrative Officials present: Dalla, Deese, Raulston.

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 1 (Minutes), Item Nos. 2 and 3 (Warrant Registers). Motion by Sotelo-Solis, seconded by Cano, to approve the Consent Calendar. Carried by unanimous vote.

APPROVAL OF MINUTES

1. Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of May 2, 2017. (City Clerk)

ACTION: Approved. See above.

SUCCESSOR AGENCY 2017 (406-10-15)

Successor Agency Warrant Register #40 for the period of 03/29/17 through 04/04/17 in the amount of \$4,610.00. (Finance)
 ACTION: Approved. See above.

SUCCESSOR AGENCY 2017 (406-10-15)

3. Successor Agency Warrant Register #41 for the period of 04/05/17 through 04/11/17 in the amount of \$968.97. (Finance)

ACTION: Approved. See above.

NON CONSENT RESOLUTIONS

SUCCESSOR AGENCY 2017 (406-10-15)

Resolution No. 2017-88. RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET OF \$153,805 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 17-18A (JULY 1, 2017 THROUGH DECEMBER 31, 2017) AND \$153,805 FOR ROPS 17-18B (JANUARY 1, 2018 THROUGH JUNE 30, 2018). (Successor Agency)

RECOMMENDATION: Adopt the Resolution approving the administrative

budget and direct staff to submit it to the Oversight Board.

TESTIMONY: None

ACTION: Motion by Sotelo-Solis, seconded by Mendivil to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison, Rios, Sotelo-Solis. Nays: None. Abstain: None.

Absent: None.

CLOSED SESSION

There was no Closed Session.

ADJOURNMENT

Motion by Sotelo-Solis, seconded by Cano, to adjourn the meeting to the next Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held Tuesday, June 6, 2017, 6:00 p.m., Council Chambers, National City, California. Carried by unanimous vote.

The meeting closed at 9:34 p.m.		
	Secretary	

The foregoing minutes were approved at the Regular Meeting of June 20, 2017.

Chairman	

DRAFT DRAFT DRAFT

MINUTES OF THE REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

JUNE 6, 2017

The Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 12:13 a.m. by Chairman Ron Morrison.

ROLL CALL

Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Board members absent: None

Administrative Officials present: Dalla, Deese, Raulston.

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 1 (Investment Report), Item Nos. 2 and 3 (Warrant Registers). Motion by Sotelo-Solis, seconded by Rios, to approve the Consent Calendar. Carried by unanimous vote.

SUCCESSOR AGENCY 2017 (406-10-15)

Investment Report for the quarter ended March 31, 2017. (Finance)
 ACTION: Approved. See above.

SUCCESSOR AGENCY 2017 (406-10-15)

2. Successor Agency Warrant Register #42 for the period of 04/12/17 through 04/18/17 in the amount of \$14,192.50. (Finance)

ACTION: Approved. See above.

SUCCESSOR AGENCY 2017 (406-10-15)

3. Successor Agency Warrant Register #43 for the period of 04/19/17 through 04/25/17 in the amount of \$0.00. (Finance)

ACTION: Approved. See above.

NON CONSENT RESOLUTIONS

SUCCESSOR AGENCY 2017 (406-10-15)

4. Resolution No. 2017-89. RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY ADOPTING A BUDGET OF \$8,443,472 FOR FISCAL YEAR 2018. (Successor Agency) RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None

ACTION: Motion by Sotelo-Solis, seconded by Cano to <u>adopt the Resolution</u>. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison, Rios, Sotelo-Solis. Nays: None. Abstain: None.

Absent: None.

CLOSED SESSION

There was no Closed Session.

ADJOURNMENT

Motion by Mendivil, seconded by Sotelo-Solis, to adjourn the meeting to the next Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held Tuesday, June 20, 2017, 6:00 p.m., Council Chambers, National City, California. Carried by unanimous vote.

The meeting closed at 12:14 a.m.	
	Secretary
The foregoing minutes were approved at the	e Regular Meeting of June 20, 2017.
	Chairman

The following page(s) contain the backup material for Agenda Item: Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute an Agreement with EnSafe, Inc. (who recently acquired E2 ManageTech, Inc.) in the not to

CITY OF NATIONAL CITY, CALIFORNIA SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AGENDA STATEMENT

MEETING DATE: June 20, 2017

AGENDA ITEM NO.

Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman to execute an Agreement with EnSafe, Inc. (who recently acquired E2 ManageTech, Inc.) in the not to exceed amount of \$200,000 to assist with obtaining regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the Westside Infill Transit Oriented Development (WI-TOD) Project site located at 2100 and 2020 Hoover Avenue, and future Park site development located on the west side of Paradise Creek, pursuant to the Agency's obligation to carry out the Disposition and Development Agreement by and between the Community Development Commission of the City of National City and Paradise Creek Housing Partners, LP, dated June 21, 2011.

PREPARED BY: Carlos Aguirre, Housing and Econ. Dev. Mgr DEPARTMENT: Housing and Economic Development

PHONE: 619-336-4391

EXPLANATION:

Please see Attachment No. 1

	FI	NAN	ICIA	L ST	ATE	ME	NT:
--	----	-----	------	------	-----	----	-----

APPROVED: Finance

APPROVED BY:

\$200,000 has been appropriated through Line Item No. 12 of the Recognized Obligation Payment Schedule for 2016-2017 and 2017-2018.

ACCOUNT NO.

ENVIRONMENTAL REVIEW:

Approval of the contract is not a "Project" under section 15378 of the California Environmental Quality Act ("CEQA") Guidelines because the proposed action consists of administrative activity that will not result in direct or indirect physical changes to the environment and, as such, pursuant to section 15061(b)(3) of the CEQA Guidelines is not subject to CEQA.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Resolution.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

- 1. Background
- 2. Agreement
- 3. Resolution

Explanation:

EnSafe, Inc. is a global provider of environmental, engineering, health and safety, and technology solutions services. EnSafe provides environmental management and planning solutions in the areas of compliance auditing; cost estimating; due diligence / merger and acquisition support; emergency response and preparedness; environmental compliance and management systems; environmental training; air quality and permitting; hazardous and solid waste permitting and compliance; water permitting; environmental site assessments; and regulatory interpretation / negotiations. EnSafe also provides design engineering solutions, including land development / site planning; landfill design / solid waste; water / wastewater and watershed / storm water management; environmental restoration solutions, such as site investigations, risk assessments, remediation, and decontamination / decommissioning; and natural and water resources protection and management solutions.

Effective February 3, 2017, EnSafe entered into an agreement to purchase a portion of E2 ManageTech's assets. Those assets are associated with E2's Environmental Services practice, which is the division of E2 that will continue to provide environmental site investigation and remediation support services for the Westside Infill Transit Oriented Development (WI-TOD) / Paradise Creek Park redevelopment area in National City. To ensure that National City is not impacted by this acquisition, EnSafe will assign E2's Principal Project Manager, Daryl Hernandez, and his support staff to execute the scope of work. Mr. Hernandez has been intimately involved with providing environmental services for the project over the past 10 years.

On February 17, 2017, per City Council Resolution 2017-21, City Council authorized the Mayor to enter into an agreement with Ensafe, Inc. for \$115,000. However, as part of an Enforceable Obligation of the Successor Agency of Community Development Commission as the National City Redevelopment Agency ("Successor Agency") to remediate environmental contamination the Westside Infill Transit Oriented Development ("WI-TOD") site, the environmental site investigation and remediation support services to be provided by Ensafe have been approved on the Recognized Obligation Payment Schedule ("ROPS") for 2016-17 and 2017-18 by the State of California Housing and Community Development Department as Line Item No. 12. The attached Agreement establishes the Successor Agency as the correct entity obligated to pay on services performed through the Agreement and represents the Successor Agency's established appropriations for these services totaling \$200,000.

The Community Development Commission (CDC) of the City of National City selected E2 ManageTech through a competitive process to provide environmental site investigation and remediation support services for the WI-TOD site located at 2100 and 2020 Hoover Avenue. Through their agreement with the CDC, which was executed on September 6, 2011, E2 ManageTech prepared a comprehensive Property Mitigation Plan (PMP) for environmental remediation of the project site. The WI-TOD, also known as Paradise Creek Housing Project, will deliver 201 affordable housing units on the east side of Paradise Creek and develop an approximately 4-acre Community Park on the west side of Paradise Creek. Phase I of the housing project, which constructed 109 units, was completed in December 2016.

On December 3, 2013, per City Council Resolution No. 2013-185, City Council authorized the Mayor to execute an agreement with E2 ManageTech in the amount of \$120,000 to assist staff with obtaining regulatory approvals and implementation of the PMP for the WI-TOD Project in order to meet the City's obligation to the former redevelopment agency to carry out the Disposition and Development Agreement by and between the Community Development Commission of the City of National City and Paradise Creek Housing Partners, LP, dated June 21, 2011.

On November 18, 2014, per City Council Resolution No. 2014-161, City Council authorized the Mayor to execute a First Amendment to the Agreement with E2 ManageTech to increase the not-to-exceed amount of the Agreement by \$300,000 and extend the expiration date of the Agreement.

Based on the qualifications of EnSafe / E2 ManageTech; competitive billing rates; intimate knowledge of the project; past performance, including preparation of the PMP and other required environmental documents; and relationship with State and Regional regulatory agencies / staff overseeing the project, staff recommends executing an Agreement with EnSafe, Inc. in the amount of \$200,000 to assist staff with obtaining final regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the WI-TOD Project site located at 2100 and 2020 Hoover Avenue, and future Park site development located on the west side of Paradise Creek.

AGREEMENT BY AND BETWEEN

THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AND

ENSAFE, INC.

THIS AGREEMENT is entered into on this 20th day of June, 2017, by and between the THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, (the "SUCCESSOR AGENCY") and ENSAFE, INC., a corporation (the "CONSULTANT").

RECITALS

WHEREAS, the SUCCESSOR AGENCY desires to employ a CONSULTANT to provide environmental engineering, site investigations and remediation support services to assist staff with obtaining final regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the Westside Infill Transit Oriented Development (WI-TOD) / Paradise Creek Park redevelopment area in National City, pursuant to the Disposition and Development Agreement by and between the Community Development Commission of the City of National City and Paradise Creek Housing Partners, LP.

WHEREAS, the SUCCESSOR AGENCY has determined that the CONSULTANT is an environmental services firm and is qualified by experience and ability to perform the services desired by the SUCCESSOR AGENCY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The SUCCESSOR AGENCY agrees to engage the CONSULTANT to provide environmental engineering, site investigations and remediation support services for the (WI-TOD) / Paradise Creek Park redevelopment area in National City, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

- 2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on June 20, 2017. The duration of this Agreement is for the period of June 20, 2017 through June 30, 2019. This Agreement may be extended by mutual agreement upon the same terms and conditions for an additional one (1) year term. The Parties may exercise up to three one-year extensions. Any extension of this Agreement must be approved in writing by the SUCCESSOR AGENGY.
- 3. **SCOPE OF SERVICES.** The CONSULTANT will perform services as set forth in the attached Exhibit "A".

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the SUCCESSOR AGENCY for such services, except as authorized in advance by the SUCCESSOR AGENCY. The CONSULTANT shall keep staff and SUCCESSOR AGENCY advised of the progress on the project.

The SUCCESSOR AGENCY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the SUCCESSOR AGENCY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

- 4. **PROJECT COORDINATION AND SUPERVISION.** Stephen Manganiello, Director of Public Works / City Engineer, hereby is designated as the Project Coordinator for the SUCCESSOR AGENCY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Daryl Hernandez, Principal, thereby is designated as the Project Director for the CONSULTANT.
- 5. <u>COMPENSATION AND PAYMENT</u>. The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" shall not exceed \$200,000. The compensation for the CONSULTANT'S work shall not exceed the rates set forth in Exhibit "A". Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A", as determined by the SUCCESSOR AGENCY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the SUCCESSOR AGENCY, and for furnishing of copies to the SUCCESSOR AGENCY, if requested.

- 6. ACCEPTABILITY OF WORK. The SUCCESSOR AGENCY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the SUCCESSOR AGENCY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the SUCCESSOR AGENCY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the SUCCESSOR AGENCY shall each prepare a report which supports their position and file the same with the other party. The SUCCESSOR AGENCY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.
- 7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONSULTANT for this project, whether paper or electronic, shall become the property of the

SUCCESSOR AGENCY for use with respect to this project, and shall be turned over to the SUCCESSOR AGENCY upon completion of the project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the SUCCESSOR AGENCY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the SUCCESSOR AGENCY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the SUCCESSOR AGENCY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the SUCCESSOR AGENCY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the SUCCESSOR AGENCY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the SUCCESSOR AGENCY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the SUCCESSOR AGENCY, or for any liability to the SUCCESSOR AGENCY should the documents be used by the SUCCESSOR AGENCY for some project other than what was expressly agreed upon within the Scope of Services of this project, unless otherwise mutually agreed.

8. <u>INDEPENDENT CONTRACTOR</u>. Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the SUCCESSOR AGENCY, and are not entitled to any of the rights, benefits, or privileges of the SUCCESSOR AGENCY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the SUCCESSOR AGENCY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the SUCCESSOR AGENCY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. <u>CONTROL</u>. Neither the SUCCESSOR AGENCY nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as herein set forth, and the CONSULTANT or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the SUCCESSOR AGENCY, it being understood that the CONSULTANT its agents, servants, and employees are as to the SUCCESSOR AGENCY wholly independent

CONSULTANT, and that the CONSULTANT'S obligations to the SUCCESSOR AGENCY are solely such as are prescribed by this Agreement.

- 10. COMPLIANCE WITH APPLICABLE LAW. The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.
- 11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

- A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.
- B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the SUCCESSOR AGENCY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.
- C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the SUCCESSOR AGENCY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the SUCCESSOR AGENCY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the SUCCESSOR AGENCY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-section will render the CONSULTANT liable to the SUCCESSOR AGENCY for any increased costs that result from the SUCCESSOR AGENCY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.
- 13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation,

marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the SUCCESSOR AGENCY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The SUCCESSOR AGENCY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the SUCCESSOR AGENCY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the SUCCESSOR AGENCY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to SUCCESSOR AGENCY for any damages caused by breach of this condition, pursuant to the provisions of Section 15.

15. <u>INDEMNIFICATION AND HOLD HARMLESS</u>. The CONSULTANT agrees to defend, indemnify, and hold harmless the SUCCESSOR AGENCY, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S negligent performance of this Agreement. SUCCESSOR AGENCY will cooperate reasonably in the defense of any action, and CONSULTANT shall employ competent counsel, reasonably acceptable to the SUCCESSOR AGENCY Counsel.

The indemnity, defense and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

MORKERS' COMPENSATION. The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the SUCCESSOR AGENCY and its officers, employees, and volunteers from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every

nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the SUCCESSOR AGENCY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

- 17. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:
- B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the SUCCESSOR AGENCY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.
- C. Commercial General Liability Insurance, with minimum limits of either \$2,000,000 per occurrence and \$4,000,000 aggregate, or \$1,000,000 per occurrence and \$2,000,000 aggregate with a \$2,000,000 umbrella policy, covering all bodily injury and property damage arising out of its operations, work, or performance under this Agreement. The policy shall name the SUCCESSOR AGENCY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this "project" or "location". The "project" or "location" should be noted with specificity on an endorsement that shall be incorporated into the policy.
- D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the SUCCESSOR AGENCY. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONSULTANT has no employees subject to the California Workers' Compensation and Labor laws, CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to CONSULTANT by SUCCESSOR AGENCY.

- E. The aforesaid policies shall constitute primary insurance as to the SUCCESSOR AGENCY, its officers, officials, employees, and volunteers, so that any other policies held by the SUCCESSOR AGENCY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the SUCCESSOR AGENCY's Risk Manager, at the address listed in subsection G below, of cancellation or material change.
- F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.
- G. The Certificate Holder for all policies of insurance required by this Section shall be as follows:

City of National City

c/o Risk Manager 1243 National City Boulevard National City, CA 91950-4397.

- H. Insurance shall be written with only insurers authorized to conduct business in Californiathat hold a current policy holder's alphabetic and financial size category rating of not less than A:VII according to the current Best's Key Rating Guide, or a company of equal financial stability that is approved by the SUCCESSOR AGENCY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.
- I. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the SUCCESSOR AGENCY'S Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the SUCCESSOR AGENCY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.
- J. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the SUCCESSOR AGENCY.
- K. If the CONSULTANT maintains broader coverage or higher limits (or both) than the minimum limits shown above, the SUCCESSOR AGENCY requires and shall be entitled to the broader coverage or higher limits (or both) maintained by the CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the SUCCESSOR AGENCY.
- 18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the SUCCESSOR AGENCY shall, in addition, be limited to the amount of attorney's fees incurred by the SUCCESSOR AGENCY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **TERMINATION.**

- A. This Agreement may be terminated with or without cause by the SUCCESSOR AGENCY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.
- B. This Agreement may also be terminated immediately by the SUCCESSOR AGENCY for cause in the event of a material breach of this Agreement, misrepresentation by the

CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the SUCCESSOR AGENCY.

- C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.
- D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the SUCCESSOR AGENCY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the SUCCESSOR AGENCY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the SUCCESSOR AGENCY all rights set forth in Section 7.
- E. The SUCCESSOR AGENCY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.
- 20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To SUCCESSOR AGENCY:

Stephen Manganiello Director of Public Works / City Engineer Engineering & Public Works Department City of National City 1243 National City Boulevard National City, CA 91950-4397

To CONSULTANT:

Don Bradford President and CEO EnSafe, Inc. 5724 Summer Trees Drive

Memphis, TN 38134

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the SUCCESSOR AGENCY. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the SUCCESSOR AGENCY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the SUCCESSOR AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the SUCCESSOR AGENCY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the SUCCESSOR AGENCY for all damages, costs or expenses the SUCCESSOR AGENCY may suffer by virtue of any violation of this Section 21 by the CONSULTANT.

22. **PREVAILING WAGES**. State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720,1720.2, 1720.3, 1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

23. MISCELLANEOUS PROVISIONS.

- A. Computation of Time Periods. If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.
- B. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

- C. Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.
- D. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.
- E. Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits, schedules, or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement shall control.
- F. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.
- G. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.
- H. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- I. Audit. If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.
- J. Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.
- K. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.
- L. Subcontractors or Subconsultants. The SUCCESSOR AGENCY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by the SUCCESSOR AGENCY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the SUCCESSOR AGENCY, both the insurance provisions in Section 17 and the indemnification and hold harmless provision of Section 15 of this Agreement.
- M. Construction. The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

ENSAFE, INC.

COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY	Dele Est
By:Ron Morrison, Chairman	By:
APPROVED AS TO FORM:	By: Sharon E. Hooper
By:	Sharon Hooper Vice President

SUCCESSOR AGENCY TO THE

Angil P. Morris Jones Successor Agency Counsel

Paradise Creek Redevelopment Area Scope of Wok National City, California

Task 1 - Phase I Development Area:

- Remedial Action Completion Report (RACR) Completed pending LUC.
- Land Use Covenant (LUC) Currently in review by DTSC's legal department.
- Minor expenses remaining that would include any additional revisions to the LUC and/or closure documents.

Task 2 - Phase II Development Area:

- RACR document has been initiated and it approximately 60% completed. Final completion of the RACR document pending approval of Phase I RACR.
- Phase II LUC Will be prepared based on the final Phase I LUC. Minimal effort because the final language of Phase I will have been reviewed by City, Developer, and DTSC attorneys.

Parkside Development Scope of Work:

Task 3 – Parkside Lead Supplemental Investigation

- Collect additional soil samples from locations where elevated lead concentrations were detected and test for the solubility of lead in the fill soils at the site.
- 20 Soil samples will be collected from 10 pre-selected boring locations.
- All soil samples will be analyzed for total lead and soluble lead using test methods for STLC and TCLP methods.
- Results of this Supplemental Investigation will support the recommended remediation alternative analyzed in the Removal Action Work plan that is described under Task 4.
- Costs include preparation of a Supplemental Site Investigation report to report the findings and conclusions.

Task 4 – Draft and Final Removal Action Work plan (RAW)

- Based on the findings of the Supplemental Site Investigation, a RAW document will be prepared
 in accordance with protocol established by the Department of Toxic Substances Control (DTSC)
- The RAW document will screen up to 4 lead mitigation alternatives and recommend one alternative for implementation. The alternatives will be evaluated based on Implementability, Effectiveness, and Cost.
- The alternatives will take into consideration the potential to install a cap above the lead impacted soils and relocating lead impacted soils beneath the street renovation areas associated with Harding Avenue and 21st Street.

- One electronic draft version of the RAW will be submitted to the City and DTSC for its review.
- Based on one round of review for the Draft RAW, the Final RAW will be prepared that will incorporate comments received from the City and DTSC.
- One hard copy of the Final RAW will be prepared and delivered to each the City and DTSC. An
 extra hard copy will be prepared for placement in a public repository (i.e., National City Public
 Library).

Task 5 – Parkside Land Use Covenant (LUC)

- It is anticipated that lead impacted soils will remain beneath the park and possibly the street renovation areas described above. Accordingly, a LUC will be prepared to describe the location of lead impacted soils and any land restrictions that would result.
- The LUC will be prepared in accordance with DTSC's standard format and in consideration of the LUCs that are associated with Phases I and II of the Paradise Creek Development area.
- It is anticipated that the lead-impacted areas will be represented using CAD drawings.

Task 6 – Parkside California Environmental Quality Act Compliance (CEQA)

- The RAW documents are subject CEQA compliance.
- Because environmental cleanup is the CEQA action, DTSC will serve as the lead agency.
- To assist with meeting the City's schedule for building the park, E2 will assist DTSC with preparing CEQA documents.
- Because the final remediation alternatives have not been determined and/or approved, the CEQA actions are not known that this time.
- For the purpose of this proposal, it is anticipated that a Mitigative Negative Declaration (MND) will be warranted.
- On behalf of DTSC, E2 will prepare a draft MND for DTSC to review and finalize. It is anticipated that DTSC will provide comments to the Draft document and E2 will finalize the document.
- An electronic copy of the Draft MND will be submitted to DTSC for its review. Also, 3 hard copies of the final MND will be prepared and submitted to the City, DTSC, and a central repository.
- The level of effort includes preparing project factsheets in English and Spanish, participation in 1 community meeting.
- Postage costs for mailing any factsheets and/or meeting notifications are not included in the costs. These expenses will be charged at cost with no markup.

Task 7 - New Sewer Pipeline Coordination

- Develop necessary work planning documentation as required by DTSC to ensure adequate handling and management of soil excavation activities.
- As required by DTSC, prepare necessary CEQA documentation. CEQA documentation has not been identified however for the purpose of this proposal it assumes that a factsheet, newspaper listing, and one community will be warranted. Both the fact sheet and newspaper listing will be prepared in English and Spanish.
- Develop a soil management plan if required by DTSC.

Task 8 - TBD

- Provide a Professional Geologist (PG) to observe the excavation activities during the pipeline
 installation activities. The PG will determine that contact depth between native soil and fill soil.
 The PG will also be responsible for determining where the excavated soils would be segregated.
- For budgeting purposes, it is assumed that the PG will be on-site full time for two weeks or 80 labor hours.

Task 9 - TBD

Upon conclusion of the pipeline installation activities, EnSafe will prepare a Completion
Technical Memorandum as required by DTSC. The Completion Technical Memorandum will
include a discussion of dust control procedures and summarize the results of perimeter dust
monitoring. Other summaries will include discussing regarding soil segregation activities, and as
well as the trenching activities. It is assumed that an electronic version of the draft Completion
Technical Memorandum will be submitted to DTSC for its review. Pending DTSC's comments, a
final version will be prepared to incorporate DTSC comments. Six hard copy versions of the
Completion Technical Memorandum will be prepared and provided to the City as well as DTSC.

Detailed Cost Proposal provided as an attachment.

TABLE 1
ENSAFE COST BREAKDOWN
PARKSIDE DEVELOPMENT
NATIONAL CITY, CA

		Tas	k 1	Tas	k 2	Tas	k 3	Tas	sk 4	Tas	k 5	Tas	k 6	Tas	k 7	Tas	sk 8	Tas	k 9		
						Parksid	le Lead														
	RATE	Phase I Dev	elop Area	Phase II RACE	Report and									New Sewe	r Pipeline	Sewer Pip	eline Field			TASKS	
		Compl		LU			gation		Final RAW		de LUC	Parksid		Coordi	nation		vation	Sewer Pipelii		TOTAL	TOTAL
STAFF CATEGORY	Schedule:185	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost
Principal/Sr. Principal	\$185.00	24.0	\$4,440	48.0	\$8,880	40.0	\$7,400	80.0	\$14,800	24.0	\$4,440	40.0	\$7,400	80.0	\$14,800	24.0	\$4,440	80.0	\$14,800	440.0	\$81,400.00
Consulting Professional	\$160.00		\$0		\$0	16.0	\$2,560	8.0	\$1,280		\$0	8.0	\$1,280	8.0	\$1,280		\$0	40.0	\$6,400	80.0	\$12,800.00
Sr. Project Professional	\$150.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0	80.0	\$12,000		\$0	80.0	\$12,000.00
Project Professional	\$140.00		\$0	24.0	\$3,360		\$0	40.0	\$5,600		\$0	40.0	\$5,600		\$0		\$0		\$0	104.0	\$14,560.00
Assistant Project Professional	\$125.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	0.0	\$0.00
Sr. Staff Professional	\$110.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	0.0	\$0.00
Staff Professional	\$105.00		\$0		\$0	36.0	\$3,780	120.0	\$12,600		\$0	8.0	\$840	80.0	\$8,400		\$0	40.0	\$4,200	284.0	\$29,820.00
Technical Editor	\$85.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	0.0	\$0.00
Drafter / Illustrator	\$85.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	10.0	\$850	10.0	\$850.00
Technical Assistant/Word Processor	\$75.00	8.0	\$600	8.0	\$600	4.0	\$300	24.0	\$1,800	4.0	\$300	8.0	\$600	8.0	\$600		\$0	12.0	\$900	76.0	\$5,700.00
Clerk	\$60.00		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	0.0	\$0.00
Labor Cost Subtotals		32.0	\$5,040.00	80.0	\$12,840.00	96.0	\$14,040.00	272.0	\$36,080.00	28.0	\$4,740.00	104.0	\$15,720.00	176.0	\$25,080.00	104.0	\$16,440.00	182.0	\$27,150.00	1074.0	\$157,130.00
ITEM	RATE	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost
Transportation								•		·											
Vehicles	1																				
Vehicle Mileage (\$/Mile)	\$0.540		\$0.00		\$0.00	50.0	\$27.00		\$0.00		\$0.00		\$0.00		\$0.00	112.0	\$60.48		\$0.00	162.0	\$87.48
Daily Truck Rental (\$/Day)	\$110.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	-	\$0.00		\$0.00	0.0	\$0.00
2007	1		*****		*****		*****		*****		*****		*****		*****		*****		*****		*
E2 Supplied Equipment	1																				
Hazardous Waste Kit (\$/Day)	\$55.00		\$0.00		\$0.00	2.0	\$110.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	2.0	\$110.00
Reimbursable Expenses Cost Subtotal		0.0		0.0		52.0	\$ 137.00	0.0	\$ -	0.0		0.0	\$ -	0.0	\$ -	112.0	\$ 60.48	0.0	\$ -		\$197.48
SUBCONTRACTOR COSTS																					
SUBCONTRACTOR	RATE	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost	Units/Hrs	Cost
								•										'			
Field Equipment Rental	1																				
Mini Rae PID (\$/week)	\$325.00		\$0.00		\$0.00	1.0	\$325.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	1.0	\$325.00
Hand Auger Kit	\$195.00		\$0.00		\$0.00	2.0	\$390.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	2.0	\$390.00
PPE (\$/day)	\$75.00		\$0.00		\$0.00	2.0	\$150.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	2.0	\$150.00
(+/ +=//	1		*****		*****		*		*****		*****		*****		*****		*****		*****		,
Soil Drilling and Sampling	1																				
All samples will be hand augered therefore	1		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0.0	\$0.00
There are no drilling costs			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0.0	\$0.00
	1		+1.00		+2.00	ĺ	+1.00		+2.00		+ 2.00		+2.00		+1.50	ĺ	+2.00		+1.00	3.0	+ 3100
Analytical Testing												l		l				1			
Soil Analysis				I		20.0	\$200.00		\$0.00		\$0.00	l	\$0.00	l	\$0.00		\$0.00	1	\$0.00	20.0	\$200.00
Soil Analysis Total lead (TTLC) by EPA 6010B (with Digestion)	\$10.00		\$0.00		SO OO			1		i		l	\$0.00	l	\$0.00		\$0.00	1			\$740.00
Total lead (TTLC) by EPA 6010B (with Digestion)	\$10.00 \$37.00		\$0.00 \$0.00		\$0.00 \$0.00		\$740.00		\$0.00										\$0.00	20.0	
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction	\$37.00		\$0.00		\$0.00	20.0	\$740.00 \$740.00		\$0.00 \$0.00		\$0.00 \$0.00								\$0.00 \$0.00	20.0 20.0	
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP Lead (with TCLP Bottle Extraction)	\$37.00 \$37.00		\$0.00 \$0.00		\$0.00 \$0.00		\$740.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	20.0 20.0	\$740.00
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP Lead (with TCLP Bottle Extraction) SUBCONTRACTOR COST SUBTOTALS (WITHOUT	\$37.00 \$37.00 F MARK-UP)		\$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00	20.0	\$740.00 \$2,545.00		\$0.00 \$0.00		\$0.00 \$0.00		\$740.00 \$2,545.00								
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP Lead (with TCLP Bottle Extraction) SUBCONTRACTOR COST SUBTOTALS (WITHOUT SUBCONTRACTOR MARK-UP	\$37.00 \$37.00		\$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00	20.0	\$740.00 \$2,545.00 \$127.25		\$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00		\$740.00 \$2,545.00 \$127.25								
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP Lead (with TCLP Bottle Extraction) SUBCONTRACTOR COST SUBTOTALS (WITHOUT SUBCONTRACTOR MARK-UP SUBCONTRACTOR MASK-UP	\$37.00 \$37.00 F MARK-UP)		\$0.00 \$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00 \$0.00	20.0	\$740.00 \$2,545.00 \$127.25 \$2,672.25		\$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00		\$740.00 \$2,545.00 \$127.25 \$2,672.25								
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP Lead (with TCLP Bottle Extraction) SUBCONTRACTOR COST SUBTOTALS (WITHOUT SUBCONTRACTOR MARK-UP SUBCONTRACTOR COST SUBTOTALS TASK SUBTOTALS	\$37.00 \$37.00 \$ \$37.00 T MARK-UP)		\$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00	20.0	\$740.00 \$2,545.00 \$127.25		\$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00		\$740.00 \$2,545.00 \$127.2! \$2,672.2! \$159,999.73								
Total lead (TTLC) by EPA 6010B (with Digestion) Soluble lead (STLC) by WET (with STLC Extraction TCLP lead (with TCLP Bottle Extraction) SUBCONTRACTOR COST SUBTOTALS (WITHOUT SUBCONTRACTOR MARK-UP SUBCONTRACTOR TOST SUBTOTALS	\$37.00 \$37.00 \$ \$37.00 T MARK-UP)		\$0.00 \$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00 \$0.00	20.0	\$740.00 \$2,545.00 \$127.25 \$2,672.25		\$0.00 \$0.00 \$0.00 \$0.00		\$0.00 \$0.00 \$0.00 \$0.00		\$740.00 \$2,545.00 \$127.25 \$2,672.25								

ENSAINCO

Client#: 25298

ACORD...

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/16/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

· · · · · · · · · · · · · · · · · · ·		
PRODUCER	CONTACT Carly Underwood	
Greyling Ins. Brokerage/EPIC	PHONE (A/C, No, Ext): 770.552.4225 FAX (A/C, No): 866.5	50.4082
3780 Mansell Road, Suite 370	E-MAIL ADDRESS: carly.underwood@greyling.com	
Alpharetta, GA 30022	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Greenwich Insurance Company	22322
INSURED	INSURER B: Firemans Fund Insurance Co.	21873
EnSafe Inc.	INSURER C: Indian Harbor Insurance Co	36940
5724 Summer Trees Dr.	INSURER D: XL Specialty Insurance Co.	37885
Memphis, TN 38134	INSURER E :	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: 16-17 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR		TYPE OF INSURANCE	ADDL	SUBR		POLICY EFF (MM/DD/YYYY)	POLICY EXP	LIMIT	s
A	Χ	COMMERCIAL GENERAL LIABILITY	X	WVD	GEC300059002	, ,	12/01/2017		\$1,000,000
		CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$500,000
								MED EXP (Any one person)	\$10,000
								PERSONAL & ADV INJURY	\$1,000,000
	GEN	I'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$2,000,000
		POLICY X PRO- JECT LOC						PRODUCTS - COMP/OP AGG	\$2,000,000
		OTHER:							\$
D	ΑUΊ	OMOBILE LIABILITY	X		AEC004489102	12/01/2016	12/01/2017	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	X	ANY AUTO						BODILY INJURY (Per person)	\$
		ALL OWNED SCHEDULED AUTOS AUTOS						BODILY INJURY (Per accident)	\$
	X	HIRED AUTOS X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	\$
									\$
В	Χ	UMBRELLA LIAB X OCCUR			SUO00024568958	12/01/2016	12/01/2017	EACH OCCURRENCE	\$5,000,000
		EXCESS LIAB CLAIMS-MADE						AGGREGATE	\$5,000,000
		DED X RETENTION \$0							\$
Α		RKERS COMPENSATION DEMPLOYERS' LIABILITY			WEC004489202	12/01/2016	12/01/2017	X PER OTH- STATUTE ER	
	ANY	PROPRIETOR/PARTNER/EXECUTIVE N	N/A					E.L. EACH ACCIDENT	\$1,000,000
	(Mai	ndatory in NH)	117.7					E.L. DISEASE - EA EMPLOYEE	\$1,000,000
	If ye	s, describe under CRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	\$1,000,000
С	Pro	ofessional Liab			PEC004489302	12/01/2016	12/01/2017	Per Claim \$5,000,0	00
	inc	I. Contractors						Aggregate \$5,000,0	00
	Ро	llution Liab							

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Environmental Site Investigation and Remediation Support Services; WI-TOD/Paradise Creek Redevelopment Area National City, California.

The City of National City, its elected officials, officers, agents, employees and volunteers are named as Additional Insureds on the above referenced liability policies with the exception of workers compensation & professional liability where required by written contract.

(See Attached Descriptions)

CEPTIFICATE HOLDER

OEKTII IOATE HOEDEK	CANCELLATION
City of National City c/o Risk Manager 1243 National City Boulevard	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
National City, CA 91950-4397	AUTHORIZED REPRESENTATIVE
	Whender

© 1988-2014 ACORD CORPORATION. All rights reserved.

CANCELL ATION

DESCRIPTIONS (Continued from Page 1)	
Waiver of Subrogation is applicable where required by written contract & allowed by law.	
	ļ
	ļ

Page 1 of 1

POLICY NUMBER: AEC004489102 XIC 411 1013

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., December 1, 2016 forms a part of Policy No. AEC004489102 issued to ENSAFE, INC. by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMATIC ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM MOTOR CARRIER COVERAGE FORM AUTO DEALERS COVERAGE FORM

- A. **COVERED AUTOS LIABILITY COVERAGE, Who Is An Insured,** is amended to include as an "insured" any person or organization you are required in a written contract to name as an additional insured, but only for "bodily injury" or "property damage" otherwise covered under this policy caused, in whole or in part, by the negligent acts or omissions of:
 - 1. You, while using a covered "auto"; or
 - 2. Any other person, except the additional insured or any employee or agent of the additional insured, operating a covered "auto" with your permission;

Provided that:

- **a.** The written contract is in effect during the policy period of this policy;
- **b.** The written contract was signed by you and executed prior to the "accident" causing "bodily injury" or "property damage" for which liability coverage is sought; and
- **c.** Such person or organization is an "insured" solely to the extent required by the contract, but in no event if such person or organization is solely negligent.
- **B.** The Limits of Insurance provided for the Additional Insured shall not be greater than those required by contract and, in no event shall the Limits of Insurance set forth in this policy be increased by the contract.
- C. General Conditions, Other Insurance is amended as follows:

Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether such insurance is primary, excess, contingent or on any other basis unless the contract specifically requires that this policy be primary.

All terms, conditions, exclusions and limitations of this policy shall apply to the liability coverage provided to any additional insured, and in no event shall such coverage be enlarged or expanded by reason of the contract.

All other terms and conditions of this policy remain unchanged.

XIC 411 1013 © 2013 X.L. America, Inc. All Rights Reserved.

May not be copied without permission.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

BVIE 01/04/2017

POLICY NUMBER: GEC3000590-02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):

Each of your projects away from premises owned by or rented to you as require by written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I Coverage A, and for all medical expenses caused by accidents under Section I Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
 - A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 - 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - **c.** Persons or organizations making claims or bringing "suits".

- 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
- 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

33 of 179

- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I Coverage A, and for all medical expenses caused by accidents under Section I Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
 - Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 - 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction proiect
- **E.** The provisions of Section **III** Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

POLICY NUMBER: GEC3000590-02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Any person or organization that you are required in a written contract or written agreement to include as an additional insured provided the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement	Westside Infill Transit Oriented Development (WI-TOD) / Paradise Creek Park redevelopment area in National City, CA
Information required to complete this Schedule, if not show	wn above, will be shown in the Declarations.

- A. Section II Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - 1. Your acts or omissions; or
 - **2.** The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

- The insurance afforded to such additional insured only applies to the extent permitted by law: and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- 2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Any person or organization that you are required in a written contract or written agreement to include as an additional insured provided the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement	Westside Infill Transit Oriented Development (WI-TOD) / Paradise Creek Park redevelopment area in National City, CA
Information required to complete this Schedule, if not sho	own above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

- The insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- **2.** Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

37 of 179

RESOLUTION NO. 2017 -

RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING
THE CHAIRMAN TO EXECUTE AN AGREEMENT WITH ENSAFE, INC.,
IN THE NOT TO EXCEED AMOUNT OF \$200,000 TO ASSIST WITH
OBTAINING REGULATORY APPROVALS AND IMPLEMENTATION OF
THE PROPERTY MITIGATION PLAN FOR ENVIRONMENTAL REMEDIATION
OF THE WESTSIDE INFILL TRANSIT ORIENTED DEVELOPMENT (WI-TOD)
PROJECT SITE LOCATED AT 2100 AND 2020 HOOVER AVENUE, AND
FUTURE PARK SITE DEVELOPMENT LOCATED ON THE WEST SIDE
OF PARADISE CREEK, PURSUANT TO THE AGENCY'S OBLIGATION TO
CARRY OUT THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND
BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY
OF NATIONAL CITY AND PARADISE CREEK HOUSING PARTNERS. LP

WHEREAS, on September 6, 2011, the Community Development Commission of the City of National City ("CDC") adopted Resolution No. 2011-201, selecting E2 ManageTech through a competitive process to provide environmental site investigation and remediation support services for the Westside Infill Transit Oriented Development (WI-TOD) site located at 2100 and 2020 Hoover Avenue; and

WHEREAS, pursuant to the Agreement with the CDC, which was executed on September 6, 2011, E2 ManageTech prepared a comprehensive Property Mitigation Plan ("PMP") for environmental remediation of the project site; and

WHEREAS, EnSafe, Inc., ("EnSafe") is a global provider of environmental, engineering, health and safety, and technology solutions services that provides environmental management and planning solutions in the areas of compliance auditing, cost estimating, due diligence/merger and acquisition support, emergency response and preparedness, environmental compliance and management systems, environmental training, air quality and permitting, hazardous and solid waste permitting and compliance, water permitting, environmental site assessments, and regulatory interpretation/negotiations; and

WHEREAS, effective February 3, 2017, EnSafe entered into an Agreement with E2 ManageTech to purchase a portion of the assets that are associated with E2's Environmental Services practice, which is the division of E2 that will continue to provide environmental site investigation and remediation support services for the WI-TOD/Paradise Creek Park redevelopment area in National City; and

WHEREAS, on February 17, 2017, the City Council of the City of National City adopted Resolution 2017-21 authorizing the Mayor to enter into an Agreement with EnSafe, Inc., for a total not to exceed \$115,000; and

WHEREAS, as part of an Enforceable Obligation of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") to remediate environmental contamination at the Westside Infill Transit Oriented Development ("WI-TOD") site, environmental site investigation, and remediation support services to be provided by E2 ManageTech have been approved on

Resolution No. 2017 – Page Two

the Recognized Obligation Payment Schedule ("ROPS") for 2016-17 and 2017-18 by the State Department of Finance as Line Item No. 12; and

WHEREAS, EnSafe would replace E2 ManageTech as the payee for ROPS Item No. 12; and

WHEREAS, the proposed Agreement establishes the Successor Agency as the correct entity obligated to pay on services performed through the Agreement and represents the Successor Agency's established appropriations for these services totaling \$200,000; and

WHEREAS, based on competitive billing rates, intimate knowledge of the project, past performance, including preparation of the PMP and other required environmental documents, and relationship with State and Regional regulatory agencies/staff overseeing the Project, staff recommends entering into an Agreement with EnSafe in the not to exceed amount of \$200,000 to assist the City with obtaining final regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the WI-TOD Project site located at 2100 and 2020 Hoover Avenue, and future park site development located on the west side of Paradise Creek.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the Chairman to execute an Agreement with EnSafe, Inc., in the not to exceed amount of \$200,000 to obtain final regulatory approvals and implementation of the Property Mitigation Plan for environmental remediation of the WI-TOD Project site located at 2100 and 2020 Hoover Avenue, and future park site development located on the west side of Paradise Creek. Said Agreement is on file in the office of the City Clerk.

PASSED and ADOPTED this 20th day of June, 2017.

	Ron Morrison, Chairman
ATTEST:	APPROVED AS TO FORM:
Michael R. Dalla, City Clerk as Secretary to the Successor Agency	Angil P. Morris-Jones Successor Agency Counsel

The following page(s) contain the backup material for Agenda Item: Investment transactions for the month ended April 30, 2017. (Finance)

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY COUNCIL AGENDA STATEMENT

MEETING DATE: June 20, 2017	AGENDA ITEM NO.
ITEM TITLE:	
Investment transactions for the month ended April 30,	2017.
PREPARED BY: Ronald Gutlay	DEPARTMENT: Finance APPROVED BY: Mark Ralutto
PHONE: (619) 336-4346	APPROVED BY: VY WWW Facuus
EXPLANATION:	
In accordance with California Government Code Secti policy section XIIA, a monthly report shall be submitted transactions made during the reporting period.	•
The attached listing reflects investment transactions o investment portfolio for the month ending April 30, 201	•
FINANCIAL STATEMENT:	APPROVED: Wark Rabute Finance
ACCOUNT NO.	APPROVED: MIS
NA	
ENVIRONMENTAL REVIEW:	
This is not a project and, therefore, not subject to envi	ronmental review.
ORDINANCE: INTRODUCTION: FINAL ADOPT	ION:
STAFF RECOMMENDATION:	
Accept and file the Investment Transaction Report for	the month ended April 30, 2017.
BOARD / COMMISSION RECOMMENDATION:	
NA	
ATTACUMENTS.	
Accept and file the Investment Transaction Report for BOARD / COMMISSION RECOMMENDATION:	the month ended April 30, 2017.
Investment Transaction Report	

SUCCESSOR AGENCY - CDC OF NC Cash with Fiscal Agents / LAIF April 30, 2017

CUSIP	Investment #	Issuer	jinning Balance s of 2/28/2017	Contributions Distributions	March 31, 2017 Interest/Dividends	April 30, 2017 Interest/Dividends	pril 30, 2017 Iding Balance
\$Y\$10040	10040	National City 2011 TAB	\$ 4,147,787.20	-	103.42	383 13	\$ 4,148,273.75
SYS10020 Local Agency	10020	National City 1999 TAB Reserve	\$ 333,925.67		45.09	69.43	\$ 334,040.19
Investment Fund - LAIF	65-37-014		\$ 8,554,520.87		16,366.01		\$ 8,570,886.88
			13,036,233.74	0.00	16,514.52	452.56	13,053,200.82



CITY OF NATIONAL CITY ATTN MARK ROBERTS DIR OF FINANCE 1243 NATIONAL CITY BLVD NATIONAL CITY CA 91950-4301 00- -M -L -PC -119-01 0298244-00-02356-01 3132 Page 1 of 5

ACCOUNT NUMBER: \$668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from April 1, 2017 to April 30, 2017

QUESTIONS?

If you have any questions regarding your account or this statement, please contact your Account Manager or Analyst.

Account Manager:
ILSE VLACH
LM-CA-T24T
633 WEST FIFTH STREET
24TH FLOOR
LOS ANGELES, CA 90071
Phone 213-615-6051
E-mail ilse.vlach@usbank.com

Analyst: DIANA D LUBEGA Phone 651-466-6125



00- -M -L -PC -119-01 0298244-00-02356-01 00313201

3132 Page 2 of 5

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from April 1, 2017 to April 30, 2017

MARKET VALUE SUMMARY				
	Current Period 04/01/17 to 04/30/17	Year-to-Date 01/01/17 to 04/30/1		
Beginning Market Value	\$4,147,890.62	\$4,173,375.90		
Distributions		- 25,710.95		
Adjusted Market Value	\$4,147,890.62	\$4,147,664.9		
Investment Results				
Interest, Dividends and Other Income	383.13	608.80		
Total Investment Results	\$383.13	\$608.80		
Ending Market Value	\$4,148,273.75	\$4,148,273.75		



00- -M -L -PC -119-01 0298244-00-02356-01 3132 Page 3 of 5

00313201

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from April 1, 2017 to April 30, 2017

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann In
Cash Equi					
4,148,273.750	First American Government Oblig Fd Cl D #3802 31846V401	4,148,273.75 1,0000	4,148,273.75 1.00	100.0 .11**	4,594.6
Total Cash	Equivalents	\$4,148,273.75	\$4,148,273.75	100.0	\$4,594.6
Total Ass	ets	\$4,148,273.75	\$4,148,273.75	100.0	\$4,594.6

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period only and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.



Net Money Market Activity

Ending Cash Balance as of 04/30/2017

00- -M -L -PC -119-01 0298244-00-02356-01

00313201

3132 Page 4 of 5

- 383.13

\$0.00

ACCOUNT NUMBER: \$668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

- 383.13

\$0.00

\$0.00

This statement is for the period from April 1, 2017 to April 30, 2017

CASH SUMMARY				
	Income Cash	Principal Cash	Total Cash	
Beginning Cash Balance as of 04/01/2017	\$.00	\$.00	\$.00	
Taxable Interest	383.13		383.13	
Transfers	- 383.13	383.13		



00- -M -L -PC -119-01 00313201 0298244-00-02356-01

3132 Page 5 of 5

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from April 1, 2017 to April 30, 2017

		TRANSACTION DETAIL		
Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 04/01/2017	\$.00	\$.00	\$4,147,890.62
04/03/17	Interest Earned On · First American Govt Oblig Fund Cl D Interest From 3/1/17 To 3/31/17 31846V401	383.13		
04/04/17	Cash Disbursement Transfer To Principal	- 383.13		
04/04/17	Cash Receipt Transfer From Income		383,13	
04/04/17	Purchased 383.13 Units Of First American Govt Oblig Fund Cl D Trade Date 4/4/17 31846V401		- 383.13	383.13
	Ending Balance 04/30/2017	\$0,00	\$0.00	\$4,148,273.75



CITY OF NATIONAL CITY ATTN MARK ROBERTS DIR OF FINANCE 1243 NATIONAL CITY BLVD NATIONAL CITY CA 91950-4301 00- -M -L -PC -091-01 0298244-00-02356-01 3250 Page 1 of 5

ACCOUNT NUMBER: \$668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from March 1, 2017 to March 31, 2017

QUESTIONS?

If you have any questions regarding your account or this statement, please contact your Account Manager or Analyst.

Account Manager:
ILSE VLACH
LM-CA-T24T
633 WEST FIFTH STREET
24TH FLOOR
LOS ANGELES, CA 90071
Phone 213-615-6051
E-mail ilse.vlach@usbank.com

Analyst: DIANA D LUBEGA Phone 651-466-6125



00- -M -L -PC -091-01 00325001 3250 Page 2 of 5

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from March 1, 2017 to March 31, 2017

MARKET VALUE SUMMARY				
	Current Period 03/01/17 to 03/31/17	Year-to-Date 01/01/17 to 03/31/17		
Beginning Market Value	\$4,147,787.20	\$4,173,375.90		
Distributions		- 25,710.95		
Adjusted Market Value	\$4,147,787.20	\$4,147,664.95		
Investment Results				
Interest, Dividends and Other Income	103.42	225.67		
Total Investment Results	\$103.42	\$225.67		
Ending Market Value	\$4,147,890.62	\$4,147,890.62		



00- -M -L. -PC -091-01 0298244-00-02356-01 00325001 3250 Page 3 of 5

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from March 1, 2017 to March 31, 2017

Shares or Face Amount	Security Description	Market Value/ Price	Tax Cost/ Unit Cost	% of Total Yield at Market	Est Ann Inc
Cash Equi	valents				
4,147,890.620	First American Government Obligation Fund Class D #3802 31846V401	4,147,890.62 1.0000	4,147,890.62 1.00	100.0 .03**	1,239.39
Total Cash	Equivalents	\$4,147,890.62	\$4,147,890.62	100.0	\$1,239.39
Total Ass	ets	\$4,147,690.62	\$4,147,890.62	100.0	\$1,239.39

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your Analyst.

** The Yield at Market set forth in this statement for any money market fund is based on the interest rate applicable to that money market fund as of the last business day of the statement period only and may not be relied upon as (i) a yield estimate for the statement period as a whole, or (ii) a guarantee of future performance.



Ending Cash Balance as of 03/31/2017

00- -M -L -PC -091-01 0298244-00-02356-01

00325001

3250 Page 4 of 5

\$0.00

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

\$0.00

This statement is for the period from March 1, 2017 to March 31, 2017

CASH	CASH SUMMARY				
	Income Cash	Principal Cash	Tota Cash		
Beginning Cash Balance as of 03/01/2017	\$.00	\$.00	\$.00		
Taxable Interest	103.42		103.42		
Transfers	- 103.42	103.42			
Net Money Market Activity		- 103,42	- 103.42		

\$0.00



00- -M -L -PC -091-01 0298244-00-02356-01 00325001 3250 Page 5 of 5

ACCOUNT NUMBER: S668702
COMMUNITY DEVELOPMENT COMMISSION OF
CITY OF NATIONAL CITY
NATIONAL CITY REDEVELOPMENT PROJECT
2011 TAX ALLOCATION BONDS
RESERVE SUBACCOUNT

This statement is for the period from March 1, 2017 to March 31, 2017

	TRANSA	CTION DETAIL		
Date Posted	Description	Income Cash	Principal Cash	Tax Cost
	Beginning Balance 03/01/2017	\$.00	\$.00	\$4,147,787.20
03/01/17	Interest Earned On First American Govt Oblig Fund CI D Interest From 2/1/17 To 2/28/17 31846V401	103.42		
03/02/17	Cash Disbursement Transfer To Principal	- 103.42		
03/02/17	Cash Receipt Transfer From Income		103.42	
03/02/17	Purchased 103.42 Units Of First American Govt Oblig Fund CI D Trade Date 3/2/17 31846V401		- 103.42	103.42
-	Ending Balance 03/31/2017	\$0.00	\$0.00	\$4,147,890.62



BNY MELLON

The Bank of New York Melion Trust Company, N.A.

CITY OF NATIONAL CITY MARK ROBERTS FINANCE DIRECTOR 1243 NATIONAL CITY BOULEVARD NATIONAL CITY, CA 91950-4397

Go Paperless. Securely access your account online to view your statements. Ask your BNY Mellon contact how we can help you access your accounts, enter your own transactions or submit an audit confirmation online. Also be sure to ask how Connect(SM), our new web-based, single sign-on platform can help you go paperless.

Visit us at www.bnymellon.com

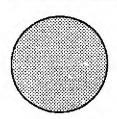
Account Statement

Statement Period 03/01/2017 Through 03/31/2017

Account 264684 NATIONAL CITY TAB 99 RESERVE FD

CLIENT SERVICE MANAGER: CHRISTOPHER S JOHNSON 400 SOUTH HOPE STREET AIM: 901-0400 LOS ANGELES, CA 90071 213-630-6404 CHRIS.JOHNSON@BNYMELLON.COM

Account Overview



Percent of all		Asset Classification	Market Value
100%	0	CASH AND SHORT TERM	333,970.76
100%		TOTAL OF ALL INVESTMENTS	333,970.76

Summary of Assets Held

Asset Classification	Market Value	Cost	Accrued Income	Est Annual Income	Market Yield
FIXED INCOME	0.00	0.00	0.00	0.00	0.00%
CASH AND SHORT TERM	333,970.76	333,970.76	0.00	0.00	0.00%
ACCOUNT TOTALS	333,970.76	333,970.76	0.00	0.00	0.00%

Summary of Cash Transactions

	Current Period			Year-to-Date	
Transaction Category	Income	Principal	Realized Gains/Losses	Income	Principal
OPENING BALANCE	0.00	0.00		0.00	0.00
DIVIDENDS	45.09	0.00	0.00	131.29	0.00
PURCHASES	45,09 -	0.00	0,00	131.29 -	0.00
CLOSING BALANCE	0.00	0.00	0.00	0.00	0,00

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.

The Bank of New York Mellon Trust Company, N.A.

Statement Period 03/01/2017 Through 03/31/2017 Account 264684

NATIONAL CITY TAB 99 RESERVE FD

Shares / Par Value	Assel Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
FIXED INCOME					
1.000	AMBAC MUNICIPAL BOND INSURANCE POLICY	0.00000	0.00	0.00	0.00%
	16365BE DEC 8/1/2029 CUSIP: \$86710390	0.00000	0.00	0.00	
Total FIXED INCOM	ME .		0.00	0.00	0.00%
			0.00	0.00	
CASH AND SHORT	TERM				
332,763.790	INVESCO GOVT AGENCY PRIVATE 1903	1.00000	332,763.79	0.00	0.00%
	CUSIP: X9USDAIMP	1.00000	332,763.79	0.00	
1,206.970	INVESCO GOVT AGENCY PRIVATE 1903	1.00000	1,206.97	0.00	0.00%
	CUSIP: X9USDAIMP	1,00000	1,206.97	0.00	
Total CASH AND S	HORT TERM		333,970.76	0.00	0.00%
			333,970.76	0.00	
ACCOUNT TOTALS			333,970.76	0.00	0.00%
			333,970.76	0.00	
Tubal Bilandani Malayan I	Plus Total Accrued Income 333,970.76		The state of the s		

Statement of Transactions

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
03/01/17	OPENING BALANCE	0.00	0.00	333,925.67	
03/02/17	Purchase INVESCO GOVT AGENCY PRIVATE 1903 TRADE DATE 03/02/17 SET/DATE 03/02/17 CUSIP X9USDAIMP! 45.09 SHARES	45.09 -	0.00	45.09	0.00
03/02/17	Dividend INVESCO GOVT AGENCY PRIVATE 1903 TRADE DATE 03/02/17 SET/DATE 03/02/17 CUSIP X9USDAIMP 45.09 SHARES	45.09	0.00	0.00	0.00
03/02/17	DAILY ENDING BALANCE	0.00	0.00	333,970.76	0.00
03/31/17	CLOSING BALANCE	0.00	0.00	333,970.76	0.00

Cumulative realized capital gain and loss position from 12/31/2016 for securities held in principal of account:

Short Term:

0.00 *

Long Term:

0.00 *

* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries. Neither The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by other third party pricing services or the differences in market prices or information provided by other third party pricing services.

54 of 179



BNY MELLON

The Bank of New York Meilon Traust Company, N.A.

"Y OF NATIONAL CITY
ARK ROBERTS
FINANCE DIRECTOR
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CA 91950-4397

Go Paperless. Securely access your account online to view your statements. Ask your BNY Melion contact how we can help you a access your accounts, enter your own transactions or submit an audit confirmation online. Also be sure to ask how Connect(SM), our new web-based, single sign to platform can help you go paperless.

Visit us at www.bnymellon.com

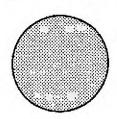
Account Statement

Statement Period 04/01/2017 Through 04/30/2017

Account 264684 NATIONAL CITY TAB 99 RESERVE FD

CLIENT SERVICE MANAGER: CHRISTOPHER S JOHNSON 400 SOUTH HOPE STREET AIM: 901-0400 LOS ANGELES, CA 90071 213-630-6404 CHRIS.JOHNSON@BNYMELLON.COM

Account Overview



Percent of all Investments		Asset Classification	Market Value
100%	0	CASH AND SHORT TERM	334,040.19
100%		TOTAL OF ALL INVESTMENTS	334,040.19

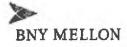
Summary of Assets Held

A-set Classification	Market Value	Cost	Accrued Income	Est Annuel Income	Market Yield
_D INCOME	0.00	0,00	0.00	0.00	0.00%
CASH AND SHORT TERM	334,040.19	334,040.19	0.00	0.00	0.00%
ACCOUNT TOTALS	334,040.19	334,040.19	0.00	0.00	0.00%

Summary of Cash Transactions

	Current Period			Year-to-Date	
Transaction Category	Income	Principal	Realized Gains/Losses	Income	Principal
OPENING BALANCE	0.00	0.00		0.00	0.00
DIVIDENDS	69.43	0.00	0.00	200.72	0.00
PURCHASES	69.43 -	0.00	0.00	200.72 -	0.00
CLOSING BALANCE	0.00	0.00	0.00	0.00	0.00

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.



The Bank of New York Mellon Trust Company, N.A.

Statement Period 04/0/1/2017 Through 04/30/2017 Account 264684

NATIONAL CITY/*/AB 99 RESERVE FD

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yiek
FIXED INCOME					
1.000	AMBAC MUNICIPAL BOND INSURANCE POLICY	0.00000	0.00	0.00	0.009
	16355BE DEC 8/1/2029 CUSIP: S86710390	0,0000	0.00	0.00	
Total FIXED INCO	ME		0.00	0.00	0.00%
		\$	0.00	0.00	
CASH AND SHOR	TTERM				
332,763,790	INVESCO GOVT AGENCY PRIVATE 1903	1.00000 -	332,763.79	0.00	0.00%
	CUSIP: X9USDAIMP	1,00000	332,763.79	0.00	
1,276,400	INVESCO GOVT AGENCY PRIVATE 1903	1.000000	1,276.40	0.00	0.00%
	CUSIP: X9USDAIMP	1.00000	1,276.40	0.00	
Total CASH AND S	HORT TERM		334,040.19	0.00	0.00%
			334,040,19	0.00	
ACCOUNT TOTAL			334,040.19	0.00	0.00%
			334,040.19	0.00	
Total Market Value	Plus Total Accrued Income 334,040.19			71.7	

Statement of Transactions

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gelns/Losses
04/01/17	OPENING BALANCE	0.00	0.00	333,970.76	
04/04/17	Purchase INVESCO GOVT AGENCY PRIVATE 1903 TRADE DATE 04/04/17 SET/DATE 04/04/17 CUSIP X9USDAIMPI 69.430 SHARES	69.43 -	0.00	69.43	0.00
04/04/17	Dividend INVESCO GOVT AGENCY PRIVATE 1903 TRADE DATE 04/04/17 SET/DATE 04/04/17 CUSIP X9USDAIMP 69.430 SHARES	69.43	0.00	0.00	Ç
04/04/17	DAILY ENDING BALANCE	0.00	0.00	334,040.19	0.00
04/30/17	CLOSING BALANCE	0.00	0.00	334,040.19	0.00

Cumulative realized capital gain and loss position from 12/31/2016 for securities held in principal of account:

Short Term:

0.00 *

Long Term:

0.00 *

* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based ur market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries. Neither The Bank of New York Mellon Trust Company, N.A., nor The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.

56 of 179

Local Agency Investment Fund P.O. Box 942809 Sacramento, CA 94209-0001 (916) 653-3001

S/A CITY OF NATIONAL CITY FOR NATIONAL CITY REDEVELOPMENT AGENCY FINANCE DIRECTOR 1243 NATIONAL CITY BLVD NATIONAL CITY, CA 91950 www.treasurer.ca.gov/pmia-laif/laif.asp May 25, 2017

PMIA Average Monthly Yields

Account Number: 65-37-014

Tran Type Definitions

April 2017 Statement

Effective Transaction Tran Confirm

 Date
 Date
 Type Number
 Authorized Caller
 Amount

 4/14/2017
 4/13/2017
 QRD 1534457
 SYSTEM
 16,366.01

Account Summary

Total Deposit:

16,366.01 Beginning Balance:

8,554,520.87

Total Withdrawal:

0.00 Ending Balance:

8,570,886.88



BETTY T. YEE

Cal ifornia State Controller

LOCAL AGENCY INVESTMENT FUND K'EMITTANCE ADVICE

Agency Name

S/A CTY NATIONAL CTY

Account Number

65-37-014

As of 04/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your depos its for the quarter ending 03/31/2017.

Earnings Ratio	.00002126194403179
Interest Rate	0.78%
Dollar Day Total	\$ 769,732,321.02
Quarter End Principal Balance	\$ 8,554,520.87
Quarterly Interest Earned	\$ 16,366.01

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #44 for the period of 04/26/17 through 05/02/17 in the amount of \$6,862.83. (Finance)

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AGENDA STATEMENT

June 20, 2017 MEETING DATE: AGENDA ITEM NO.

ITEM TITLE:

Successor Agency Warrant Register #44 for the period of 04/26/17 through 05/02/17 in the amount of \$6.862.83. (Finance)

PREPARED BY: K. Apalategui

619-336-4572 PHONE:

DEPARTMENT: Finance

APPROVED BY: Warde Rabutts

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, all check-paid expenses of the Successor Agency are paid by the City. The Successor Agency then reimburses the City. Successor Agency wires are paid directly from the Successor Agency account.

Attached is a detailed listing of all Successor Agency expenses for the period, which total \$6,862.83. Staff requests approval of payments of Successor Agency expenses.

FINANCIA	L STATEMENT	•

ACCOUNT NO.

APPROVED: Wark Relute **Finance**

APPROVED:

Reimbursement total \$6,862.83.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

FINAL ADOPTION: ORDINANCE: INTRODUCTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$6,862.83

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #44



SUCCESSOR AGENCY **WARRANT REGISTER #44** 5/2/2017

PAYEE GEOSYNTEC CONSULTANTS INC **DESCRIPTION**

EDUCATION VILLAGE PROJECT

CHK NO 328688

DATE 5/2/17 **AMCUNT** 6,862.83

A/P Total \$

6,862.83

GRAND TOTAL

6,862.83

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #45 for the period of 05/03/17 through 05/09/17 in the amount of \$0.00. (Finance)

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AGENDA STATEMENT

MEETING DATE: June 20, 2017 AGENDA ITEM NO.

ITEM TITLE:

Successor Agency Warrant Register #45 for the period of 05/03/17 through 05/09/17 in the amount of \$0.00. (Finance)

PREPARED BY: K. Apalategui

PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: Mark Ralvits

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

No Successor Agency Warrants issued for the period of 05/03/17 - 05/09/17.

NCIAL		

APPROVED:

APPROVED: Wark Ratute Finance

ACCOUNT NO.

APPROVED:

MIS

Reimbursement total \$0.00.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$0.00.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #45



SUCCESSOR AGENCY **WARRANT REGISTER #45** 5/9/2017

<u>PAYEE</u>	DESCRIPTION	CHK NO	DATE	AMOUNT
	NO CHARGES TO SUCCESSOR AGENC			
	THE WEEK OF 05/03/2017 - 05/09/2017			
			A/P Total	
	Total disbu	ursements paid with Ci	ty's Funds _	
		GRAND TOTAL	-	-

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #46 for the period of 05/10/17 through 05/16/17 in the amount of \$1,500.00. (Finance)

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AGENDA STATEMENT

June 20, 2017 AGENDA ITEM NO. MEETING DATE:

ITEM TITLE:

Successor Agency Warrant Register #46 for the period of 05/10/17 through 05/16/17 in the amount of \$1.500.00. (Finance)

PREPARED BY: K. Apalategui

619-336-4572 PHONE:

DEPARTMENT: Finance

APPROVED BY: Wark Rabutto

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, all check-paid expenses of the Successor Agency are paid by the City. The Successor Agency then reimburses the City. Successor Agency wires are paid directly from the Successor Agency account.

Attached is a detailed listing of all Successor Agency expenses for the period, which total \$1,500.00. Staff requests approval of payments of Successor Agency expenses.

FINAN			

APPROVED: Wark Reliets **Finance**

ACCOUNT NO.

APPROVED:

MIS

Reimbursement total \$1,500.00.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$1,500.00

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #46



SUCCESSOR AGENCY WARRANT REGISTER #46 5/16/2017

PAYEE US BANK DESCRIPTION

ADMIN FEES 3/1/17 - 2/28/18

28984

DATE 5/16/17

AMOUNT

1,500.00

A/P Total \$ 1,500.00

GRAND TOTAL

\$ 1,500.00

The following page(s) contain the backup material for Agenda Item: Resolution of the Board of Directors of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount of Not to Exceed \$58,000,000 an

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AGENDA STATEMENT

MEETING DATE:

June 20, 2017

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the Board of Directors of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds in an Amount of Not to Exceed \$58,000,000 and Approving the Form of an Indenture of Trust, a Form of Escrow Agreement and a Continuing Disclosure Certificate and Authorizing Certain Other Actions in Connection Therewith.

PREPARED BY: Brad Raulston

DEPARTMENT: Successor Agency

PHONE: (619) 336-4256

APPROVED BY

EXPLANATION:

The Successor Agency has three outstanding series of tax allocation bonds (TABs), the 1999s, the 2005Bs and the 2011s with a combined principal balance of \$49,395,000. Staff's analysis, in conjunction with its financial advisor, NHA Advisors, indicates that interest savings may be achieved by refunding (refinancing) these bonds. Adopting the resolution will authorize staff to begin the process of refunding the bonds. If the Successor Agency Board adopts the resolution, the action is subject to Oversight Board and State Department of Finance approvals. Assuming these approvals are secured, staff would return to the Successor Agency Board in September with the final proposed structuring options, including staff's recommendation, for the refunding. Please see attached staff report for more information.

FINANCIAL STATEMENT:

APPROVED:

Finance

ACCOUNT NO.

APPROVED: Wark Ralition

ATTROVED. STANK MILE

If authorized, the proposed refunding would result in savings in interest expense for the Successor Agency.

ENVIRONMENTAL REVIEW:

Pursuant to Title 15 of the California Code of Regulations, Section 15378(b)(4), this item is not subject to the California Environmental Quality Act review because the recommended approvals are not considered a project and are governmental funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant environmental impact.

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the resolution and submit the proposed refunding to the Oversight Board for approval and subsequent submittal to the State Department of Finance.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- Staff Report
- 2. Att. A: Form of Indenture of Trust
- 3. Att. B: Form of Prior Bonds Escrow Agreement
- 4. Att. C: Form of Continuing Disclosure Certificate
- 5. Att. D: Estimated Sources & Uses and Savings Analysis
- 6. Resolution



Successor Agency Staff Report

June 20, 2017

ITEM

Resolution of the Board of Directors of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the issuance and sale of tax allocation refunding bonds in an amount of not to exceed \$58,000,000 and approving the form of an indenture of trust, a form of escrow agreement and a continuing disclosure certificate and authorizing certain other actions in connection therewith.

BACKGROUND

The Agency has three series of bonds on its Recognized Obligation Payment Schedule: the 1999 Tax Allocation Housing Bonds ("1999 Bonds"), the 2005B Tax Allocation Bonds ("2005 Bonds") and the 2011 Tax Allocation Bonds ("2011 Bonds") (collectively, "Prior Obligations"). The bond proceeds from the 1999 Bonds were used to finance a loan for an affordable housing project. Bond proceeds from the 2005 Bonds were used to refinance previously issued bonds and the proceeds from the 2011 Bonds were used primarily to finance grants for the construction of low and moderate income housing within the redevelopment project area of the Agency. The 1999 Bonds have an outstanding balance of \$3,085,000 and interest rates ranging from 5.00% to 5.125%, the 2005 Bonds have an outstanding balance of \$9,080,000 and interest rates ranging from 4.00% to 5.25%, and the 2011 Bonds have an outstanding balance of \$37,230,000 and remaining interest rates ranging from 5.00% to 7.00%. The Prior Obligations mature between 2018 and 2032 with total remaining debt service of approximately \$74.1 million.

The 1999 and 2005 Bonds may be called on any date at this time, and the 2011 Bonds can be called on any date on or after August 1, 2021. Current market interest rates are estimated at approximately 3.50% and are well below the existing bond rates and can produce lower debt service and therefore additional property tax cash flow to the taxing entities and the City of National City ("City").

DISCUSSION

City staff has been working with its financial advisor, NHA Advisors, to analyze and evaluate the refinancing opportunity for the Agency's outstanding bonds. NHA Advisors has worked with the City on another assignment and has executed approximately 20 similar refinancing transactions in the past 2 years.

Since the elimination of redevelopment, the State has allowed for refinancing through AB 1484 (Health and Safety Code 34177.5), allowing a Successor Agency to issue bonds provided certain factors are met. Requirements include no additional interest cost and no additional principal other than the amount needed to redeem the outstanding bonds, pay for issuance costs, and meet required debt service reserves.

Based on analysis provided by various financial institutions and reviewed by our financial advisor, it was determined that there is sufficient interest rate savings to justify beginning the approval process for issuing refunding bonds. As part of AB 1484, there are multiple steps involved in receiving approval and issuing any refunding bonds.



The steps necessary to issue Refunding Bonds include the following:

- Successor Agency Board approval of Refunding Bond documents
- Oversight Board approval of Refunding Bonds
- State Department of Finance approval of financing plan and Refunding Bonds
- Drafting and approval by Successor Agency Board of Refunding Bond Official Statement required to sell bonds
- If necessary, Refunding Bonds credit and rating process
- Sale of Refunding Bonds
- Close Financing and redeem old bonds

The next steps to move this transaction forward are to finalize the Financial Advisor's Savings Report and send it with this Agency Board and Oversight Board approved form of Indenture and other documents to the California Department of Finance (DOF). DOF will then have 65 days to review and approve of the Agency Board's and Oversight Board's actions. At that time, the Bonds can be sold to investors and rates and terms locked in. During the 65-day period, the finance team will evaluate whether a direct placement to a bank or a public offering to the municipal marketplace will be utilized. If a public offering is deemed to be the best option, then an investor disclosure prospectus known as a "preliminary official statement" (POS) will be developed and put before the Agency Board for its approval. Staff will return to the Successor Agency Board in early September for final approval of this POS and to communicate the final proposed structuring options, including staff's recommendation, for terms of the refunding.

By approving the Resolution, the Agency Board will authorize approval of the form of the Indenture (see Attachment A), which is the document that sets the terms and conditions of the bond transaction. These terms will be finalized upon the actual sale of the bonds to investors and that is the time when a bond purchase agreement will be executed which will set the final interest rates, redemption provisions and other terms. Also being approved via the resolution will be the form of the Prior Bonds Escrow Agreement (see Attachment B) and the form of the Continuing Disclosure Certificate (see Attachment C). It is anticipated that with Agency Board approval of the Resolution, the sale and closing of the Refunding Bonds could be completed by September 2017.

FISCAL IMPACT

Based on current market rates, a refinancing of the outstanding bonds that retains the current final maturity date of August 2032 would generate over \$3.5 million of present value savings, or 7.6% of the refunded par amount. This equates to \$6.0 million in net cash flow savings through Fiscal Year 2033, or \$750,000 annually, which would be divided among the taxing entities. Attachment D, titled "Estimated Sources and Uses and Savings Analysis."

The estimated savings shown in Attachment D assumes that debt service is structured to generate level annual savings through the current maturity of the Bonds, but can ultimately be structured in a variety of ways to best meet the City's objectives. Staff will be working with NHA to evaluate all structuring options, including level savings, upfront savings, and deferred savings through a shortening of the maturity.

RECOMMENDATION

Adopt the resolution and direct staff to submit the proposed refunding to the Oversight Board for approval and subsequent submittal to the State Department of Finance.

INDENTURE OF TRUST

Dated as of1, 2017
by and between the
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY
and
as Trustee,
Relating to
Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A
and
\$Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B
and
SSSuccessor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Housing Refunding Bonds, Series 2017C

TABLE OF CONTENTS

		Page
	ARTICLE I	
	DETERMINATIONS; DEFINITIONS	
1.01	Findings and Determinations	2
1.02	Definitions	3
1.03	Rules of Construction	13
	ARTICLE II	
	AUTHORIZATION AND TERMS	
2.01	Authorization of 2017 Bonds	13
2.02	Terms of 2017 Bonds	14
2.03	Redemption of 2017 Bonds	15
2.04	Form of 2017 Bonds	
2.05	Execution of Bonds	18
2.06	Transfer of Bonds	19
2.07	Exchange of Bonds	19
2.08	Registration of Bonds	19
2.09	[Reserved]	20
2.10	Bonds Mutilated, Lost, Destroyed or Stolen	20
2.11	Book-Entry System	20
2.12	Applicability of Provisions to Additional Bonds	21
	ARTICLE III	
	DEPOSIT AND APPLICATION; ADDITIONAL DEBT	
3.01	Issuance of Bonds	22
3.02	Application of Proceeds of Sale and Certain Other Amounts	22
3.03	Costs of Issuance Fund	
3.04	Refunding Fund	
3.05	Issuance of Parity Debt	
3.06	Issuance of Subordinate Debt	
	ARTICLE IV	
	SECURITY OF BONDS; FLOW OF FUNDS	
4.01	,	0.4
4.01	Security of Bonds; Equal Security	24
4.02	Redevelopment Obligation Retirement Fund; Special Fund; Deposit of Pledged Tax	
4.00	Revenues	
4.03	Deposit of Amounts by Trustee	
4.04	Rebate Fund	
4.05	[Provisions Relating to 2017 Insurance Policy]	
4.06	[Provisions Relating to 2017 Reserve Policy]	30
	ARTICLE V	
	OTHER COVENANTS OF THE SUCCESSOR AGENCY	
5.01	Punctual Payment	30

5.02	Limitation on Additional Indebtedness; Against Encumbrances	30
5.03	Extension of Payment	31
5.04	Payment of Claims	31
5.05	Books and Accounts; Financial Statements	31
5.06	Protection of Security and Rights of Owners	31
5.07	Payments of Taxes and Other Charges	
5.08	[Reserved]	
5.09	Disposition of Property	32
5.10	Maintenance of Pledged Tax Revenues	32
5.11	Tax Covenants	32
5.12	Continuing Disclosure	33
5.13	Compliance with the Dissolution Act	33
5.14	Further Assurances	
5.15	[Last and Final Recognized Obligation Payment Schedule]	34
	■ Control of the Con	
	ARTICLE VI	
	THE TRUSTEE	
6.01	Duties, Immunities and Liabilities of Trustee	35
6.02	Merger or Consolidation.	
6.03	Liability of Trustee	
6.04	Right to Rely on Documents and Opinions	
6.05	Preservation and Inspection of Documents	
6.06	Compensation and Indemnification	
6.07	Deposit and Investment of Moneys in Funds	
6.08	Accounting Records and Financial Statements	
6.09	Other Transactions with Agency	
0.05	0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	72
	ARTICLE VII	
	MODIFICATION OR AMENDMENT OF THIS INDENTURE	
7.01	Amendment With And Without Consent of Owners.	41
7.02	Effect of Supplemental Indenture	
7.03	Endorsement or Replacement of Bonds After Amendment	
7.04	Amendment by Mutual Consent	
7.05	Opinion of Counsel	
7.06	Copy of Supplemental Indenture to S&P	
7.00	Copy of Suppressional indentation of Sect.	TJ
	ARTICLE VIII	
	EVENTS OF DEFAULT AND REMEDIES OF OWNERS	
8.01	Events of Default and Acceleration of Maturities	12
8.02	Application of Funds Upon Acceleration	
8.03	Power of Trustee to Control Proceedings	
8.04	Limitation on Owner's Right to Sue	
8.05	Non-Waiver	
8.06 8.07	Actions by Trustee as Attorney-in-Fact	
	Determination of Percentage of Bondowners	
8.08	Determination of referringe of Dongowners	4/

ARTICLE IX MISCELLANEOUS

9.01	Special Obligations	47	
9.02	Benefits Limited to Parties	47	
9.03	Successor is Deemed Included in All References to Predecessor	48	
9.04	Discharge of Indenture	48	
9.05	Execution of Documents and Proof of Ownership by Owners	49	
9.06	Disqualified Bonds		
9.07	Waiver of Personal Liability		
9.08	Destruction of Cancelled Bonds	50	
9.09	Notices		
9.10	Partial Invalidity		
9.11	Unclaimed Moneys		
9.12	Execution in Counterparts		
9.13	Governing Law	51	
EXHI	IBIT A FORM OF SERIES 2017A BOND		
EXHI	IBIT B FORM OF TAXABLE SERIES 2017B BOND	B-1	
EXHIBITC FORM OF TAXABLE HOUSING SERIES 2017C BOND			

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of

1, 2017, by and between the SUCCESSOR AGENCY TO THE COMMUNITY

DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor Agency"), as successor to the redevelopment activities of the Community Development Commission as the National City Redevelopment Agency (the "Prior Agency") and _______, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Prior Agency is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State (collectively, as amended, the "Law"), including the power to issue bonds and incur debt for any of its corporate purposes;

WHEREAS, a Redevelopment Plan for the National City Downtown Redevelopment Project (the "Project Area") of the Prior Agency was adopted and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, in order to finance and refinance redevelopment activities within or of benefit to the Project Area, the Community Development Commission of the City of National City, of which the Prior Agency was a member, issued certain outstanding bonds more fully described herein (collectively, the "Prior Bonds");

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the redevelopment components of the Prior Agency were dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with Resolution No. 2012-15 adopted by the City Council of the City on January 10, 2012 and pursuant to the Dissolution Act, assumed certain redevelopment components, including the redevelopment related duties and obligations, of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency under the Prior Bonds and the related documents to which the Prior Agency was a party;

WHEREAS, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding redevelopment related bonds and other obligations of the Prior Agency, subject to the conditions precedent contained in said Section 34177.5;

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5;

WHEREAS, in order to provide moneys to refund the Prior Bonds (as defined herein) for the purpose of providing debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2017A (the "Series 2017A Bonds"), its Taxable Tax Allocation Refunding Bonds, Series 2017B, and its Taxable Tax Allocation Housing Refunding Bonds, Series 2017C (the "Taxable Series 2017C Bonds" and, together with the Series 2017A Bonds and the Taxable Series 2017B Bonds, the "2017 Bonds");

WHEREAS, the 2017 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(1) of the California Health and Safety Code, the Law and the Refunding Law;

WHEREAS, in order to provide for the authentication and delivery of the 2017 Bonds, to establish and declare the terms and conditions upon which the 2017 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2017 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds (as defined below), including the 2017 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2017 Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds, including the 2017 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2017 Bonds, as follows:

ARTICLE I

DETERMINATIONS; **DEFINITIONS**

1.01 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2017 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2017 Bonds in the manner and form provided in this Indenture.

1.02 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Bonds" means the 2017 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

"Bond Counsel" means (a) Nossaman LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Year" means each twelve (12) month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2017 Bonds shall commence on the Closing Date and end on August 1, 2018.

"Business Day" means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

"City" means the City of National City.

"Closing Date" means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2017 Bonds is ______, 2017.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2017A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2017A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate, with respect to the 2017 Bonds, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"County" means the County of San Diego.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Defeasance Obligations" means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency's investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody's rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

"Department of Finance" means the Department of Finance of the State of California.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Dissolution Act" means California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Escrow Agreements" means, collectively, the 1999 Escrow Agreement, the 2005 Escrow Agreement and the 2011 Escrow Agreement.

"Escrow	Bank"	shall	mean	0

"Event of Default" means any of the events described in Section 8.01.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"Indenture" means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

- (a) is in fact independent and not under domination of the Successor Agency or the City;
- (b) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and
- (c) is not connected with the Successor Agency or the City as an officer or employee of the Successor Agency or the City, but who may be regularly retained to make reports to the Successor Agency or the City.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

- (a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects;
- (b) is in fact independent and not under domination of the Successor Agency or the City;
- (c) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and
- (d) is not connected with the Successor Agency or the City as an officer or employee of the Successor Agency or the City, but who may be regularly retained to make reports to the Successor Agency or the City.

"Information Services" means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

"Insured Bonds" means those Bonds insured under a municipal bond or financial guaranty insurance policy, including the 2017 Insured Bonds.

"Insurer" means the 2017 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to other Bonds.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

"Interest Payment Date" means each February 1 and August 1, commencing February 1, 2018, for so long as any of the Bonds remain Outstanding hereunder.

"Law" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of

New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest amount for the current or any future Bond Year payable in such Bond Year. For purposes of such calculation, there shall be excluded payments with respect to each series of Bonds to the extent that amounts due with respect to such series of Bonds are prepaid or otherwise discharged in accordance with this Indenture.

"Moody's" means Moody's Investors Service and its successors.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.06) all Bonds except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation:
- (b) Bonds paid or deemed to have been paid within the meaning of Section 9.04; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

"Oversight Board" means the Oversight Board to the Successor Agency established pursuant to the Section 34179 of the Dissolution Act.

"Owner" or "Bondowner" means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Parity Debt" means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2017 Bonds pursuant to Section 3.05, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

"Parity Debt Instrument" means a resolution, indenture of trust, supplemental indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, other than a Supplemental Indenture.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as

conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency's investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

(a) Federal Securities;

- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;
- (c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;
- (d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise);
- (e) Unsecured certificates of deposit (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase "A-1+" or better by S&P and "P-1" by Moody's and or certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody's and Fitch;
- (f) Certificates of deposit, time deposits, deposit accounts or money market deposits (including those of the Trustee, its parent and its affiliates) that are fully insured by FDIC, including BIF and SAIF;
- (g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an

entity rated "Aa" or better by Moodys' and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moodys' and "AA" or better by S&P;

- (h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1+" or better by S&P;
- (i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;
- (j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1+" by S&P; and
- (k) The Local Agency Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

"Pledged Tax Revenues" means all taxes (i) that were eligible for allocation to the Prior Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited or available for deposit by the County Auditor-Controller in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

"Prior Agency" means the Community Development Commission as the National City Redevelopment Agency.

"Prior Bonds" means, collectively, the 1999 Bonds, the 2005 Series B Bonds and the 2011 Bonds.

"Project Area" means the National City Redevelopment Project Area.

"Qualified Reserve Account Credit Instrument" means (i) the 2017 Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee with respect to other Bonds, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody's have assigned a long-term credit rating to such bank or insurance company at the time of issuance of such Qualified Reserve Account Credit Instrument of "A" (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a

term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to the Bonds with respect to which it is deposited or with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

"Rebate Fund" is defined in Section 4.04.

"Recognized Obligation Payment Schedule" means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (1) of Section 34177 of the California Health and Safety Code.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

"Redevelopment Obligation Retirement Fund" means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(a) and administered by the Successor Agency.

"Redevelopment Plan" means the Redevelopment Plan for the National City Redevelopment Project Area, which was adopted and approved by Ordinance No. 1233, adopted by the City Council of the City on November 18, 1969, and as such Redevelopment Plan has been further amended and as it may hereafter be amended in accordance with the law.

"Redevelopment Project" means the undertaking of the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

"Redevelopment Property Tax Trust Fund" means the fund by that name established pursuant to California Health & Safety Code Sections 34170.5(b) and 34172(c) and administered by the County Auditor-Controller.

"Refunding Fund" means the 2017 Refunding Fund established and held by the Trustee pursuant to Section 3.04.

"Refunding Law" means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

"Report" means a document in writing signed by an Independent Redevelopment Consultant and including:

- (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and
- (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

"Reserve Requirement" means, subject to Section 4.03(c) of this Indenture, with respect to the 2017 Bonds and each series of Parity Debt issued as Bonds pursuant to a single Supplemental Indenture for which a reserve is to be funded and as of any date of computation, the lesser of:

- (i) 125% of the average Annual Debt Service with respect to such series of Bonds,
 - (ii) Maximum Annual Debt Service with respect to such series of Bonds, or
- (iii) with respect to an individual series of Bonds, 10% of the original principal amount of such series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Debt pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt pursuant to a Supplemental Indenture, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof.

"ROPS Period" means each annual period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year, or such other period as provided in the Dissolution Act.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services, LLC business, and its successors.

"Securities Depositories" means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the

Trustee. "Serial Bonds" means all Bonds other than Term Bonds. "Series 2017A Bonds" means the \$ _____ initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A. "Series 2017A Bonds Account" means the account by that name established within the Refunding Fund. "Special Fund" means the fund held by the Successor Agency established within the Redevelopment Obligation Retirement Fund pursuant to Section 4.02. "State" means the State of California. "Supplemental Indenture" means any supplement to this Indenture which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder. "Taxable Series 2017B Bonds" means the \$______ initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B. "Taxable Series 2017B Bonds Account" means the account by that name established within the Refunding Fund. "Taxable Series 2017C Bonds" means the \$ initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Housing Refunding Bonds, Series 2017C. "Taxable Series 2017C Bonds Account" means the account by that name established within the Refunding Fund. "Term Bonds" means that portion of any Bonds payable from mandatory sinking account payments. "Trustee" means _____, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI. "Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the Executive Director or Treasurer of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose. "1999 Bonds" means the Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project), currently outstanding in the aggregate principal amount of \$

Successor Agency may designate in a Written Request of the Successor Agency delivered to the

- "1999 Escrow Agreement" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date and relating to the 1999 Bonds.
- "2005 Series B Bonds" means the Community Development Commission of the City of National City (National City Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series B, currently outstanding in the aggregate principal amount of \$_____.
- "2005 Escrow Agreement" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date and relating to the 2005 Series B Bonds.
- "2011 Bonds" means the Community Development Commission of the City of National City (National City Redevelopment Project) 2011 Tax Allocation Bonds, currently outstanding in the aggregate principal amount of \$______.
- "2011 Escrow Agreement" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date and relating to the 2007 Bonds.
- "2017 Bonds" means, collectively, the Series 2017A Bonds, the Taxable Series 2017B Bonds and the Taxable Series 2017C Bonds.
- "2017 Insurance Policy" means the insurance policy issued by the 2017 Insurer guaranteeing the scheduled payment of principal of and interest on the 2017 Insured Bonds when due.
- "2017 Insured Bonds" means the Series 2017A Bonds maturing in the years 20__ through 20__, inclusive, the Taxable Series 2017B Bonds maturing in the years 20__ through 20__, inclusive and the Taxable Series 2017C Bonds maturing in the years 20__ through 20__, inclusive.
 - "2017 Insurer" means , or any successor thereto or assignee thereof.
- "2017 Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2017 Insurer guaranteeing certain payments into the Reserve Account with respect to the 2017 Bonds as provided therein and subject to the limitation set forth therein.
- 1.03 Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

2.01 Authorization of 2017 Bonds. Three initial issues of Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. Such initial issues of Bonds shall be designated the

(i) "Successor Agency to the Community Development Commission as the National City
Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A," (ii) "Successor Agency to
the Community Development Commission as the National City Taxable Tax Allocation Refunding
Bonds, Series 2017B,"and (ii) "Successor Agency to the Community Development Commission as
the National City Taxable Tax Allocation Housing Refunding Bonds, Series 2017C." The Series
2017A Bonds shall be issued in the initial aggregate principal amount of \$, the Taxable
Series 2017B Bonds shall be issued in the initial aggregate principal amount of \$, and
the Taxable Series 2017C Bonds shall be issued in the initial aggregate principal amount of
\$

2.02 Terms of 2017 Bonds. The 2017 Bonds shall be issued in fully registered form without coupons. The 2017 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2017 Bond shall have more than one maturity date. The 2017 Bonds shall be dated as of their Closing Date. The 2017 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2017 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

Series 2017A Bonds

Maturity Date	Principal	Interest
(August 1)	Amount	Rate
	\$	%

Taxable Series 2017B Bonds

Maturity Date	Principal	Interest
(August 1)	Amount	Rate
	\$	%

Taxable Series 2017C Bonds

Maturity Date	Principal	Interest
(August 1)	Amount	Rate
	\$	%

Each 2017 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before [January 15, 2018], in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2017 Bond, interest thereon is in default, such 2017 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2017 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of either the Series 2017A Bonds, the Taxable Series 2017B Bonds or the Taxable Series 2017C Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2017A Bonds, such Taxable Series 2017B Bonds or such Taxable Series 2017C Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2017 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

2.03 Redemption of 2017 Bonds.

(a) Optional Redemption. The Series 2017A Bonds maturing on or prior to August 1, 20 are not subject to optional redemption. The Series 2017A Bonds maturing on or after August 1, 20, are subject to optional redemption prior to their respective maturity dates as a whole,

or in part by lot, on any date on or after August 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Taxable Series 2017B Bonds maturing on or prior to August 1, 20__ are not subject to optional redemption. The Taxable Series 2017B Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Taxable Series 2017C Bonds maturing on or prior to August 1, 20__ are not subject to optional redemption. The Taxable Series 2017C Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20__, by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

(b) Mandatory Sinking Fund Redemption. The Series 2017A Bonds that are Term Bonds (the "2017A Term Bonds") maturing August 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20__, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table[s]; provided however, that (y) in lieu of redemption thereof such 2017A Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(h), and (z) if some but not all of such 2017A Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2017A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

2017A Term Bonds of 20

August 1

Principal Amount

\$

(maturity)

The Taxable Series 2017B Bonds that are Term Bonds (the "2017B Term Bonds") maturing August 1, 20_ shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20_, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption

price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table[s]; provided however, that (y) in lieu of redemption thereof such 2017B Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(h), and (z) if some but not all of such 2017B Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2017B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

2017B Term Bonds of 20

August 1

Principal Amount

\$

(maturity)

Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to any Bond Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annualled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

(d) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the

CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

- (e) <u>Partial Redemption of Bonds</u>. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.
- (f) <u>Effect of Redemption</u>. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.
- (g) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.
- (h) Purchase in Lieu of Redemption. In lieu of redemption of the Serial or Term Bonds pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Serial or Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Serial or Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Serial or Term Bonds required to be redeemed pursuant to a Supplemental Indenture on August 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.
- 2.04 Form of 2017 Bonds. The Series 2017A Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture. The Taxable Series 2017B Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit B, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.
- 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or its Treasurer or the written designee of either

and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

Only such of the Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like series, tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

2.07 Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same series, tenor and maturity and of other authorized denominations. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption.

2.08 Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection and copying by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

2.09 [Reserved].

2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption. instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

2.11 Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

- (b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.
- Transfers Outside Book-Entry System. In the event that either (i) the (c) Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.
- (d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.
- 2.12 Applicability of Provisions to Additional Bonds. Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.05 through 2.11 shall apply to all Bonds.

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the Series 2017A Bonds in the aggregate principal amount of \$ and the Taxable Series 2017C Bonds in the aggregate principal amount of \$ and the Trustee shall authenticate and deliver the Series 2017A Bonds, the Taxable Series 2017B Bonds and the Taxable Series 2017C Bonds upon the Written Request of the Successor Agency.				
3.02 Applica	tion of	Proceeds of Sale and Certain Other Amounts.		
The same that the same is the same and the s		Closing Date with respect to the Series 2017A Bonds, received by the Trustee shall be applied as follows:	the proceeds of	
Issuance Fund.	(i)	The Trustee shall deposit the amount of \$	in the Costs of	
of proceeds of the Series	(ii) s 2017 <i>A</i>	The Trustee shall deposit \$, being the rer A Bonds, in the Series 2017A Bonds Account of the Re	naining amount funding Fund.	
(b) On the Closing Date with respect to the Taxable Series 2017B Bonds, the proceeds of sale of the Taxable Series 2017B Bonds received by the Trustee shall be applied as follows:				
Issuance Fund.	(i)	The Trustee shall deposit the amount of \$	in the Costs of	
		The Trustee shall deposit \$, being the reries 2017B Bonds, in the Taxable Series 2017B Bonds		
c) On the Closing Date with respect to the Taxable Series 2017C Bonds, the proceeds of sale of the Taxable Series 2017C Bonds received by the Trustee shall be applied as follows:				
Issuance Fund.	(i)	The Trustee shall deposit the amount of \$	in the Costs of	
(ii) The Trustee shall deposit \$, being the remaining amount of proceeds of the Taxable Series 2017C Bonds, in the Taxable Series 2017C Bonds Account of the Refunding Fund.				
3.03 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2017 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for				

which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six (6) months following the Closing Date with respect to the 2017 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund, with ____% of such amount used to pay debt service on the Series 2017A Bonds, ____% of such amount used to pay debt service on the Taxable Series 2017B Bonds and ____% of such amount used to pay debt service on the Taxable Series 2017C Bonds, and the Costs of Issuance Fund shall be closed.

3.04 Refunding Fund.

(a) There shall be established a separate and segregated fund to be known as the "2017 Refunding Fund" (the "Refunding Fund"), together with a "Series 2017A Bonds Account," a "Taxable Series 2017B Bonds Account and a "Taxable Series 2017C Bonds Account" therein.

(b) On the Closing Date with respect to the 2017 Bonds, the Trustee shall disburse the \$______ on deposit in the Series 2017A Bonds Account as follows:

(i) \$______ shall be transferred to the Escrow Bank for deposit pursuant to the 2005 Escrow Agreement; and

(ii) \$_____ shall be transferred to the Escrow Bank for deposit pursuant to the 2011 Escrow Agreement.

Upon making such transfers, the Trustee shall close the Series 2017A Bonds Account.

- (c) On the Closing Date with respect to the 2017 Bonds, the Trustee shall transfer the \$_____ on deposit in the Taxable Series 2017B Bonds Account to the Escrow Bank for deposit pursuant to the [2005 Escrow Agreement.] Upon making such transfers, the Trustee shall close the Series 2017B Bonds Account.
- (d) On the Closing Date with respect to the 2017 Bonds, the Trustee shall transfer the \$_____ on deposit in the Taxable Series 2017C Bonds Account to the Escrow Bank for deposit pursuant to the 1999 Escrow Agreement.

Upon making such transfers, the Trustee shall close the Taxable Series 2017C Bonds Account and, upon closing the Series 2017A Bonds Account, the Taxable Series 2017B Bonds and the Taxable Series 2017C Bonds Account, the Trustee shall close the Refunding Fund.

- 3.05 Issuance of Parity Debt. In addition to the 2017 Bonds, the Successor Agency may issue Parity Debt to refund any outstanding 2017 Bonds or other Parity Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:
- (a) No Event of Default hereunder or an event of default under any Parity Debt Instrument shall have occurred and be continuing unless cured by the issuance of such Parity Debt;

- (b) The Parity Debt shall provide savings to the Successor Agency in compliance with Health and Safety Code section 34177.5;
- (c) In the event the Successor Agency issues Parity Debt as Bonds pursuant to a Supplemental Indenture, the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and
- (d) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.
- 3.06 Issuance of Subordinate Debt. Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2017 Bonds and the Bonds.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

4.01 Security of Bonds; Equal Security. Subject to the provisions of Section 4.02 and Section 6.06 hereof allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Prior Bonds, are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2017 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Prior Bonds, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, the parties hereto acknowledge that the County Auditor-Controller is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2017 Bonds and Parity Debt pursuant to Section 33607.5(e) of the Law or 34177.5(c) of the Dissolution Act). Except for the Pledged Tax Revenues, such amounts and such funds and accounts, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2017 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2017 Bonds and other Bonds.

The Debt Service Fund and any fund or account or sub-accounts created under this Indenture (except the Rebate Fund), including amounts on deposit therein (including proceeds of the 2017

Bonds), are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2017 Bonds and other Bonds without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture (except the Rebate Fund), and including amounts on deposit therein (including proceeds of the 2017 Bonds), and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture.

The parties acknowledge that Section 34177.5(g) of the Dissolution Act provides that the 2017 Bonds and Parity Debt are further secured by a pledge of, and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the County Auditor-Controller related to the Successor Agency, which moneys, subject to the payment by the County Auditor-Controller of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law, constitute Pledged Tax Revenues as defined herein.

In consideration of the acceptance of the 2017 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2017 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2017 Bonds and other Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

4.02 Redevelopment Obligation Retirement Fund; Special Fund; Deposit of Pledged Tax Revenues. There is hereby established a special fund to be known as the "Special Fund" which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period in accordance with Section 5.13 hereof in the Redevelopment Obligation Retirement Fund. Immediately upon such deposit, the Successor Agency shall first (a) transfer into the Special Fund all Pledged Tax Revenues allocable to the payment of the principal of and interest or redemption premium if any on 2017 Bonds and other Bonds, including any such amounts owed to the 2017 Insurer in connection with any payments of principal and interest made on the Bonds, and then (b) the Successor Agency shall pay or reimburse the 2017 Insurer any and all charges, fees, costs and expenses that the 2017 Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Indenture; (ii) the pursuit of any remedies under this Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture, whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Indenture or the transactions contemplated hereby, other than costs resulting from the failure of the 2017 Insurer to honor its obligations under the 2017 Insurance Policy. All Pledged Tax Revenues remaining in the Redevelopment Obligation Retirement Fund and in excess of the amount required to make the transfers required herein to the Special Fund and to make any other payments due hereunder, and except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder when applied by the Successor Agency in accordance with the Law, including to the payment of other obligations on a Recognized Obligation Payment Schedule payable after payment of the Bonds as required by Section 34183(a)(2) of the Dissolution Act.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or under a Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or in a Parity Debt Instrument.

- 4.03 Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2017 Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency and the Trustee shall deposit amounts received from the Successor Agency into sub-accounts of the Interest Account and/or Principal Account, as applicable, on a pro-rata basis):
- (a) <u>Interest Account</u>. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of February 1, 2018, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture). The Trustee shall establish sub-accounts within the Interest Account for the payment of interest due on the Insured Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.
- (b) Principal Account. On or before the fifth (5th) Business Day preceding August 1 in each year beginning August 1, 2018, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking

account redemption, as the same shall become due and payable. The Trustee shall establish sub-accounts within the Principal Account for the payment of principal due on the Insured Bonds and other Bonds, provided that all such Bonds shall be paid on a parity basis.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any Supplemental Indenture, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. The Reserve Requirement for the 2017 Bonds will be satisfied by the delivery of the 2017 Reserve Policy by the 2017 Insurer on the Closing Date with respect to the 2017 Bonds.

Except as provided in the preceding paragraph and as may be provided in a Supplemental Indenture, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount from the Special Fund sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

The amounts available under the 2017 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2017 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement.

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the Interest Account, the Principal Account and the Sinking Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each February 1 and August 1 by the Trustee and deposited in the Special Fund. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds the interest on which is excluded from gross income of the owners

thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law.

The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues.

If the Reserve Requirement for a series of Bonds is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture with respect to such series of Bonds. If the Reserve Requirement for a series of Bonds is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be made in accordance with the terms of such Qualified Reserve Account Credit Instruments. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand alone basis.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee.

- and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on Bonds to be redeemed pursuant to any optional redemption provision of a Supplemental Indenture on the date set for such redemption. Interest due on such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.
- 4.04 Rebate Fund. The Trustee shall establish a separate fund for the Series 2017A Bonds designated the "Rebate Fund." Absent an opinion of Bond Counsel that the exclusion from

gross income for federal income tax purposes of interest on the Series 2017A Bonds will not be adversely affected, the Successor Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Series 2017A Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the Series 2017A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Successor Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Successor Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

- Year with respect to the Series 2017A Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g. the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.
- (ii) <u>Transfer</u>. Within 55 days of the end of each fifth Computation Year with respect to the Series 2017A Bonds, upon the Finance Director's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.04(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Director, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.
- (iii) <u>Payment to the Treasury</u>. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.
- (X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the Series 2017A Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Computation Year; and
- (Y) Not later than 60 days after the payment of all the Series 2017A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such

applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

- (b) In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 4.04(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.
- (c) <u>Disposition of Unexpended Funds</u>. Any funds remaining in the Rebate Fund after redemption and payment of the Series 2017A Bonds and the payments described in Section 4.04(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.
- (d) <u>Survival of Defeasance</u>. Notwithstanding anything in this Section 4.04 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Series 2017A Bonds and any Parity Debt.
- (e) <u>Trustee Responsible</u>. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.
 - 4.05 [Provisions Relating to 2017 Insurance Policy].
 - 4.06 [Provisions Relating to 2017 Reserve Policy].

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

- 5.01 Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.
- 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues (i) on a basis senior to the Bonds or (ii) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds or other Parity Debt, and then only if the requirements of Section 3.05 are met. The

Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

- 5.03 Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.
- 5.04 Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.
- 5.05 Books and Accounts; Financial Statements. The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2017 Insurer, any other Insurer and the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, on or before each [January 31] so long as the Bonds are Cutstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2017 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. The Trustee shall have no obligation to review any financial statements provided to it by the Successor Agency.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2017 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2017 Insurer may reasonably request.

5.06 Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to Bonds, the Bonds shall be incontestable by the Successor Agency.

5.07 Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

5.08 [Reserved].

- 5.09 Disposition of Property. The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2017 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition.
- 5.10 Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues as provided in the Dissolution Act.
- 5.11 Tax Covenants. In connection with the Series 2017A Bonds, the Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Series 2017A Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Series 2017A Bonds and Parity Bonds will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:
- (a) <u>Private Activity</u>. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the Series 2017A Bonds or Parity Bonds or of any other monies or property which would cause the Series 2017A Bonds or Parity Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;
- (b) <u>Arbitrage</u>. The Successor Agency will make no use of the proceeds of the Series 2017A Bonds or Parity Bonds or of any other amounts or property, regardless of the source, or

take any action or refrain from taking any action which will cause the Bonds or Parity Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

- (c) <u>Federal Guaranty</u>. The Successor Agency will make no use of the proceeds of the Series 2017A Bonds or Parity Bonds or take or omit to take any action that would cause the Series 2017A Bonds or the Parity Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;
- (d) <u>Information Reporting</u>. The Successor Agency will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;
- (e) <u>Hedge Bonds</u>. The Successor Agency will make no use of the proceeds of the Series 2017A Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any Series 2017A Bonds or the Parity Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Series 2017A Bonds and any Parity Bonds for federal income tax purposes; and
- (f) <u>Miscellaneous</u>. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of Series 2017A Bonds and Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.
- 5.12 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.
- 5.13 Compliance with the Dissolution Act. The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

Further, it will take all actions required under the Dissolution Act to include:

(i) scheduled debt service on the 2017 Bonds and any Parity Debt and any amount required under this Indenture to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(ii) amounts due to any Insurer hereunder or under an insurance or surety bond agreement,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to accomplish the foregoing, on or before each February 1 (or at such earlier time as may be required by the Dissolution Act), for so long as the Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller that shall include, from the first available Pledged Tax Revenues received by the Successor Agency during the applicable Bond Year (subject to prior payments described in Section 4.01): (i) all debt service due on all Outstanding Parity Debt coming due during the applicable Bond Year as well as all amounts due and owing to the 2017 Insurer hereunder or to any other Insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture or a reserve account established under any Parity Debt Instrument (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2017 Insurer hereunder). [Discuss ROPS covenant]

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2017 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2017 Bonds and other Parity Debt and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one half of the debt service due during each calendar year on all Outstanding Bonds prior to February 1 of such calendar year, and (ii) the remainder of debt service due during such calendar year on all Outstanding Bonds prior to the next succeeding August 1.

- 5.14 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.
- 5.15 [Last and Final Recognized Obligation Payment Schedule]. [The Successor Agency shall not submit the final amendment to a "last and final" Recognized Obligation Payment Schedule without the 2017 Insurer's consent.]

ARTICLE VI

THE TRUSTEE

6.01 Duties, Immunities and Liabilities of Trustee.

- (a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.
- (b) The Successor Agency may remove the Trustee at any time, but only with the consent of all Insurers, upon thirty days' prior written notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, with a copy to any Insurer, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.
- (c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners and any Insurer notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing, with notice of such appointment to be furnished to any Insurer.
- Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all

instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

- (e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the any Insurer and the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.
- (f) The Successor Agency agrees that, so long as any Bonds are Outstanding, the Trustee shall be: (i) a financial institution having a trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by federal or state authority; (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets; or (iii) an entity otherwise approved by all Insurers in writing. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.
- 6.02 Merger or Consolidation. Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

6.03 Liability of Trustee.

- (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.
- (b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.
- (c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.
- (d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Special Fund and the investment and application of moneys on deposit in the Special Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).
- (e) The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms

contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

- (f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.
- (g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.
- (h) The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.
- (i) Before taking any action under Article VIII or this Article at the request of the Owners or any Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Insurer for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.
- The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting

Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

- (k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.
- (l) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.
- 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

6.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Successor Agency and any Insurer and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

6.06 Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, 6.07 the Interest Account, the Principal Account, the Reserve Account, the Redemption Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account (pro-rata among sub-accounts); provided, however, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing computerized securities pricing services that may be available to it including those available through its regular accounting system.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Successor Agency at their present value (within the meaning of Section 148 of the Code). Investments on deposit in the Reserve Account shall be valued semiannually two (2) Business Days preceding each February 1 and August 1 at their Fair Market Value.

- 6.08 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, on at least a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.
- 6.09 Other Transactions with Agency. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

7.01 Amendment With And Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any

Owners or any Insurer, to the extent permitted by law, but only for any one or more of the following purposes –

- (a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or
- (b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or
 - (c) to provide for the issuance of Parity Debt in accordance with Section 3.05; or
- (d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or
 - (e) to comply with amendments or supplements to the Dissolution Act; or
- (f) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of each Insurer (but only with respect to any Bonds insured by such Insurer) and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture adversely affect the security for the Bonds or modify any of the rights or obligations of any Insurer without its prior written consent. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Bonds or the rights of the Owners of the Insured Bonds, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no 2017 Insurance Policy.

7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms

and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

- 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may, with the prior written consent of any Insurer, determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.
- 7.04 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond and, provided further that written consent to such amendment shall first be obtained from any Insurer.
- 7.05 Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Series 2017A Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.
- 7.06 Copy of Supplemental Indenture to S&P. The Successor Agency shall provide to S&P, for so long as S&P maintains a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

- **8.01** Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:
- (a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Successor Agency of written notice from the

Trustee or any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency (with the prior written consent of any Insurer) within such thirty (30) day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time as approved by any Insurer;

- (c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Successor Agency seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Successor Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property; or
- (d) The principal of any Parity Obligation shall be declared immediately due and payable under the terms of a Parity Debt Instrument.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (z) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity, including an action in mandamus.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to each Insurer and to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall, with the written consent of a majority in aggregate principal amount of the Owners of the Bonds then Outstanding, deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to any Insurer and the Owners of all Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds then Outstanding, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

8.02 Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

<u>First</u>, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the 2017 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding 2017 Bonds or Parity Debt (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the 2017 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest; and

<u>Third</u>, to the payment of amounts required to restore the Reserve Account to the Reserve Requirement and to repay any amounts owed to the Insurer in connection with a draw on the Reserve Policy.

8.03 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action;

provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

8.04 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Successor Agency, the Trustee and any Insurer written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

8.05 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the Trustee and the

Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

- 8.06 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided, however, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).
- 8.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.
- 8.08 Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

MISCELLANEOUS

- 9.01 Special Obligations. The Bonds are special obligations of the Successor Agency secured by a pledge and lien as described in Section 4.01 hereof. The Bonds are not debts, liabilities or obligations of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.
- 9.02 Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, each Insurer, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, such Insurers and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, each Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

9.03 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

9.04 Discharge of Indenture.

- (a) If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:
- (i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing with the Trustee in trust or an escrow agent, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, if any, or;
- (iii) by irrevocably depositing with the Trustee in trust or an escrow agent, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other amounts, funds and accounts described in Section 4.01 hereof and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency.

[Notwithstanding anything herein to the contrary, to accomplish the defeasance of Insured Bonds, at least three Business Days prior to any defeasance, the Successor Agency shall deliver to any Insurer of such Insured Bonds draft copies of an escrow agreement, and opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of such Insured Bonds, and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to such Insurer and shall be in form and substance satisfactory to such Insurer. In addition, the escrow agreement shall provide that: a) any substitution of securities shall require the delivery of a verification report, an opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of such Insurer; and b) the Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of such Insurer.]

- (b) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due of the Bonds is paid by any Insurer, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, and the assignment and pledge of the Pledged Tax Revenues and other assets hereunder and all covenants, agreements and other obligations of the Successor Agency to the Bondowners so paid shall continue to exist and shall run to the benefit of such Insurer, and such Insurer shall be subrogated to the rights of such Bondowners, as applicable.
- 9.05 Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of decds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

9.06 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver

under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

- 9.07 Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.
- 9.08 Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and upon request of the Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.
- 9.09 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the Successor Agency:	Successor Agency to the Community Development Commission as the National City Redevelopment Agency 1243 National City Blvd. National City, CA 91950
	Attention: Executive Director

If to the	I rustee:	(

The Successor Agency and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

9.10 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

- 9.11 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.
- 9.12 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- 9.13 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

DEVELOPMENT COMMISSION AS THE National caused this Indenture to be signed in its name	SUCCESSOR AGENCY TO THE COMMUNITY NATIONAL CITY REDEVELOPMENT AGENCY has by its Chairman, and, in token of its has caused this Indenture to be signed in its corporate all as of the day and year first above written.
	SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY
	By: Chairman
ATTEST:	
Secretary	
	, as Trustee
	By:Authorized Officer

EXHIBIT A

(FORM OF SERIES 2017A BOND)

UNITED STATES OF AMERICA STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY TAX ALLOCATION REFUNDING BOND, SERIES 2017A

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	August 1,	, 2017	
REGISTERED OWNER:	CEDE & CO.		
PRINCIPAL SUM:		DOLLARS	

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017A Bond (as defined below), unless (i) this Series 2017A Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017A Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017A Bond, interest is in default on this Series 2017A Bond, this Series 2017A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017A Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Series 2017A Bond at the corporate trust office (the "Principal Corporate Trust Office") of , in Los Angeles, California, as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the Registration Books maintained by the Trustee at the close of business on the preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Series 2017A Bonds, which written request is on file with the Trustee on any Record Date,

interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Series 2017A Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A" (the "Series 2017A Bonds"), of an aggregate principal amount of \$_______, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Series 2017A Bonds.

The Series 2017A Bonds are being issued in the form of registered Series 2017A Bonds without coupons. Simultaneously with the issuance of the Series 2017A Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B" (the "Taxable Series 2017B Bonds") and as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Housing Refunding Bonds, Series 2017C" (the "Taxable Series 2017C Bonds") that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. Additional Parity Debt may be issued on a parity with the Series 2017A Bonds, the Taxable Series 2017B Bonds and the Taxable Series 2017C Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017A Bonds, the Taxable Series 2017B Bonds and the Taxable Series 2017C Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017A Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Series 2017A Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Series 2017A Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017A Bonds.

The Series 2017A Bonds are special obligations of the Successor Agency and this Series 2017A Bond and the interest hereon and all other Series 2017A Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego, subject to the payment of the County's administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt

Service Fund and any fund or account created under the Indenture (other than the Rebate Fund), and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County of San Diego in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017A Bonds, the Taxable Series 2017B Bonds, the Taxable Series 2017C Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017A Bonds are subject to redemption prior to their stated maturities as provided in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Series 2017A Bonds are issuable as fully registered Series 2017A Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017A Bonds may be exchanged for a like aggregate principal amount of Series 2017A Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017A Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. Upon registration of such transfer a new fully registered Series 2017A Bond or Series 2017A Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017A Bond during the fifteen (15) days prior to the date established for the selection of Series 2017A Bonds for redemption, if any, or (b) any Series 2017A Bond selected for redemption, if any.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the Registered Owners of the Series 2017A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the respective Insurer and the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior

written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Unless this Series 2017A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any Series 2017A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Series 2017A Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017A Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017A Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Series 2017A Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Series 2017A Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Series 2017A Bonds permitted to be issued under the Indenture.

This Series 2017A Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency has caused this Series 2017A Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

	Executive Director	
	L'Accutive Director	
ATTEST:		
TILOI.		

STATEMENT OF INSURANCE

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

	Authorized Signatory	
	Ву:	
	as Trustee	
Authentication Date:	, 2017	
This is one of the Series 201	7A Bonds described in the within-mentioned Indenture.	

(FORM OF ASSIGNMENT)

	For value received the undersigned hereby sells, assigns and transfers unto									
		(Name, Address	and Tax I	dentific	eation or S	ocial	Security N	fumber of Assig	nee)	
	the								St. 1863	appoints(s) attorney,
to tran		the same on the reg	gistratio	n bool	ks of the	Tru	stee with	full power o	f substi	itution in the
Dated				_						
Signat	ures (Guaranteed:								
Note:	-	nature(s) must be guible guarantor.	arantee	d by a	n No	ote:	correspo the face particula	atures(s) on to nd with the nof the within r without altenent or any ch	ame(s) Bond in tration o	as written on n every or

EXHIBIT B

(FORM OF TAXABLE SERIES 2017B BOND)

UNITED STATES OF AMERICA STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY TAXABLE TAX ALLOCATION REFUNDING BOND, SERIES 2017B

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	August 1,	, 2017	
REGISTERED OWNER:	CEDE & CO.		
DDINICIDAL CLIM-		DO	TTADO

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Taxable Series 2017B Bond (as defined below), unless (i) this Taxable Series 2017B Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Taxable Series 2017B Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Taxable Series 2017B Bond, interest is in default on this Taxable Series 2017B Bond, this Taxable Series 2017B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Taxable Series 2017B Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Taxable Series 2017B Bond at the corporate trust office (the , in Los Angeles, California, as trustee (the "Principal Corporate Trust Office") of "Trustee"). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the Registration Books maintained by the Trustee at the close of business on the preceding Record Date; provided however. that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Taxable Series 2017B Bonds, which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Taxable Series 2017B Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B" (the "Taxable Series 2017B Bonds"), of an aggregate principal amount of \$_______, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of ______ 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Taxable Series 2017B Bonds.

The Taxable Series 2017B Bonds are being issued in the form of registered Taxable Series 2017B Bonds without coupons. Simultaneously with the issuance of the Taxable Series 2017B Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A" (the "Series 2017A Bonds") and the "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Housing Refunding Bonds, Series 2017C" (the "Taxable Series 2017C Bonds") that are payable from Pledged Tax Revenues on a parity with the Taxable Series 2017B Bonds. Additional Parity Debt may be issued on a parity with the Taxable Series 2017B Bonds, the Series 2017A Bonds and the Taxable Series 2017C Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Taxable Series 2017B Bonds, the Series 2017A Bonds and the Taxable Series 2017C Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Taxable Series 2017B Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Taxable Series 2017B Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Taxable Series 2017B Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Taxable Series 2017B Bonds.

The Taxable Series 2017B Bonds are special obligations of the Successor Agency and this Taxable Series 2017B Bond and the interest hereon and all other Taxable Series 2017B Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego, subject to the payment of certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged

Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture (other than the Rebate Fund), and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and this Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County of San Diego in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Taxable Series 2017B Bonds, the Series 2017A Bonds, the Taxable Series 2017C Bonds, and any additional Bonds (as defined in the Indenture).

The Taxable Series 2017B Bonds are subject to redemption prior to their stated maturities as provided in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Taxable Series 2017B Bonds are issuable as fully registered Taxable Series 2017B Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Taxable Series 2017B Bonds may be exchanged for a like aggregate principal amount of Taxable Series 2017B Bonds of other authorized denominations and of the same series, tenor and maturity.

This Taxable Series 2017B Bond is transferable upon the Registration Books, by the person in whose name it was registered, in person or by a duly authorized attorney of such person upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. Upon registration of such transfer a new fully registered Taxable Series 2017B Bond or Taxable Series 2017B Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Taxable Series 2017B Bond during the fifteen (15) days prior to the date established for the selection of Taxable Series 2017B Bonds for redemption, if any, or (b) any Taxable Series 2017B Bond selected for redemption, if any.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the Registered Owners of the Taxable Series 2017B Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the

express written consent of the respective Insurer and the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Unless this Taxable Series 2017B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any Taxable Series 2017B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Taxable Series 2017B Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Taxable Series 2017B Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Taxable Series 2017B Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Taxable Series 2017B Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Taxable Series 2017B Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Taxable Series 2017B Bonds permitted to be issued under the Indenture.

This Taxable Series 2017B Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency has caused this Taxable Series 2017B Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

	By:		
		Executive Director	
ATTEST:			
Secretary			

STATEMENT OF INSURANCE

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

	Authorized Signatory	
	Ву:	
	as Trustee	
Authentication Date:	_, 2017	
I his is one of the Taxable Serie	es 2017B Bonds described in the within-mentioned Inde	DILLUX C.

(FORM OF ASSIGNMENT)

	For value received the undersigned here	eby sells, a	ssigns and	transfers unto	
	(Name, Address and Tax Identificat:		7	_	
	the within-registered Bond and h	nereby in	revocably	constitute(s)	and appoints(s) attorney.
to tran	sfer the same on the registration books ses.	of the Tru	ıstee with	full power of	
Dated:					
Signat	ures Guaranteed:				
Note:	Signature(s) must be guaranteed by an	Note:	The sion	atures(s) on thi	s Assignment mus
11010.	eligible guarantor.	11010.	the face	nd with the nan of the within Bo r without altera	ne(s) as written on ond in every

EXHIBIT C

(FORM OF TAXABLE SERIES 2017C BOND)

UNITED STATES OF AMERICA STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY TAXABLE TAX ALLOCATION HOUSING REFUNDING BOND, SERIES 2017C

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	August 1,	, 2017	=======================================
REGISTERED OWNER:	CEDE & CO.		
PRINCIPAL SUM:		DO	LLARS

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Taxable Series 2017C Bond (as defined below), unless (i) this Taxable Series 2017C Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Taxable Series 2017C Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Taxable Series 2017C Bond, interest is in default on this Taxable Series 2017C Bond, this Taxable Series 2017C Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Taxable Series 2017C Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Taxable Series 2017C Bond at the corporate trust office (the , in Los Angeles, California, as trustee (the "Principal Corporate Trust Office") of "Trustee"). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the Registration Books maintained by the Trustee at the close of business on the preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount

of the Taxable Series 2017C Bonds, which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

The Taxable Series 2017C Bonds are being issued in the form of registered Taxable Series 2017C Bonds without coupons. Simultaneously with the issuance of the Taxable Series 2017C Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A" (the "Series 2017A Bonds") and the "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B" (the "Taxable Series 2017B Bonds") that are payable from Pledged Tax Revenues on a parity with the Taxable Series 2017C Bonds. Additional Parity Debt may be issued on a parity with the Taxable Series 2017C Bonds, the Series 2017A Bonds and the Taxable Series 2017B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Taxable Series 2017C Bonds, the Series 2017A Bonds and the Taxable Series 2017B Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Taxable Series 2017C Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Taxable Series 2017C Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Taxable Series 2017C Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Taxable Series 2017C Bonds.

The Taxable Series 2017C Bonds are special obligations of the Successor Agency and this Taxable Series 2017C Bond and the interest hereon and all other Taxable Series 2017C Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego, subject to the payment of certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged

Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture (other than the Rebate Fund), and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and this Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County of San Diego in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Taxable Series 2017C Bonds, the Series 2017A Bonds, the Taxable Series 2017B Bonds, and any additional Bonds (as defined in the Indenture).

The Taxable Series 2017C Bonds are subject to redemption prior to their stated maturities as provided in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Taxable Series 2017C Bonds are issuable as fully registered Taxable Series 2017C Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Taxable Series 2017C Bonds may be exchanged for a like aggregate principal amount of Taxable Series 2017C Bonds of other authorized denominations and of the same series, tenor and maturity.

This Taxable Series 2017C Bond is transferable upon the Registration Books, by the person in whose name it was registered, in person or by a duly authorized attorney of such person upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. Upon registration of such transfer a new fully registered Taxable Series 2017C Bond or Taxable Series 2017C Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Taxable Series 2017C Bond during the fifteen (15) days prior to the date established for the selection of Taxable Series 2017C Bonds for redemption, if any, or (b) any Taxable Series 2017C Bond selected for redemption, if any.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the Registered Owners of the Taxable Series 2017C Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the

express written consent of the respective Insurer and the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Unless this Taxable Series 2017C Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any Taxable Series 2017C Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Taxable Series 2017C Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Taxable Series 2017C Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Taxable Series 2017C Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Taxable Series 2017C Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Taxable Series 2017C Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law or any laws of the State of California, and is not in excess of the amount of Taxable Series 2017C Bonds permitted to be issued under the Indenture.

This Taxable Series 2017C Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency has caused this Taxable Series 2017C Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

	By:	
	Executive Director	
ATTEST:		
Secretary		

STATEMENT OF INSURANCE

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Taxable S	eries 2017C Bonds described in the within-mentioned Inde	enture.
Authentication Date:	, 2017	
	as Trustee	
	Ву:	
	Authorized Signatory	

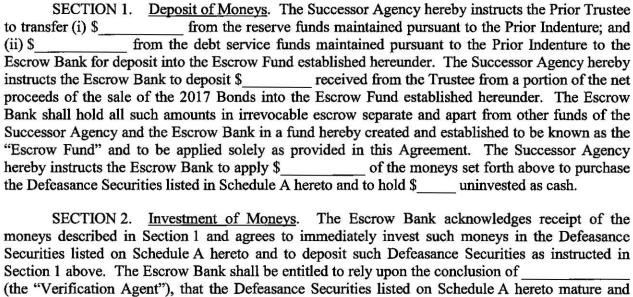
(FORM OF ASSIGNMENT)

	For value received the undersigned hereby sells, assigns and transfers unto									
(Name, Address and Tax Identification or Social Security Number of Assignee)										
	the	within-registered								appoints(s) attorney,
to tran		e same on the reg	gistration	n bool	ks of the	Tru	stee with	full power	of substi	itution in the
Dated:	=			-						
Signat	ures Gi	uaranteed:								
•	G':	()	721				ent :			
Note:	-	ture(s) must be gulle guarantor.	aranteed	i by ai	n No	ote:	correspo the face particula		name(s) a Bond in eration o	or

[PRIOR BONDS] ESCROW AGREEMENT

This [PRIOR BONDS] ESCROW AGREEMENT, dated as of, 2017 (the
"Agreement"), by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency") and, acting in its capacity as escrow bank (the "Escrow Bank") and the Prior Bonds Trustee (as defined below), is entered into in accordance with an Indenture of Trust dated as of (the "Prior Indenture"), by and between Community Development Commission of the City of National City (the "Commission") and (the "Prior Bonds Trustee"), to refund all of the outstanding Prior Bonds (as defined below).
WITNESSETH:
WHEREAS, the Commission has previously issued its \$ initial aggregate principal amount Community Development Commission of the City of National City (National City Downtown Redevelopment Project) Tax Allocation [Refunding] Bonds, [Series] (the "Prior Bonds"); and
WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and
WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Community Development Commission as the National City Redevelopment Agency (the "Former Agency") being dissolved as of February 1, 2012; and
WHEREAS, the powers, assets and obligations of the Former Agency were transferred on February 1, 2012 to the Successor Agency; and
WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and
WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service; and
WHEREAS, the Successor Agency has determined that it is in the Successor Agency's best interest to issue the \$ Community Development Commission as the National City Redevelopment Agency [Taxable] Tax Allocation [Housing] Refunding Bonds, Series 2017[A/B/C] (the "2017 Bonds") pursuant to an Indenture of Trust dated as of, 2017, by and between the Successor Agency and, as trustee (the "Trustee"). A portion of the proceeds of the 2017 Bonds and certain other moneys deposited with the Escrow Bank will be used to provide the funds to pay all regularly scheduled payments of principal and interest on the Prior Bonds, as they accrue, through and including 1, 2017 and to redeem the Prior Bonds maturing after August 1, 2017 on 1, 2017 (the "Redemption Price"); and
WHEREAS, by irrevocably depositing with the Escrow Bank moneys (as permitted by, in the manner prescribed by, and all in accordance with the Prior Indenture), which moneys, together with the moneys deposited with the Escrow Bank at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the Prior Bonds;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Bank agree as follows:



(the "Verification Agent"), that the Defeasance Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay when due with respect to the Prior Bonds, all regularly scheduled payments of principal and interest on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date, as shown on Schedule A attached hereto.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Successor Agency with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the Successor Agency. In the absence of investment instructions from the Successor Agency, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Successor Agency's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Successor Agency, the Escrow Bank shall reinvest any other amount of principal and interest, or any portion thereof, received from the Defeasance Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable federal securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions delivered to the Escrow Bank and _______ to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and

interest with respect to the Prior Bonds when due on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date, and provided that the Successor Agency has obtained and delivered to the Escrow Bank an unqualified opinion of Nossaman LLP, [that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Prior Bonds or interest on the 2017A Bonds]. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 3 which are not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the Successor Agency with respect to the refunding of the Prior Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of tax-exempt obligations of political subdivisions, shall be paid to the Successor Agency promptly upon the receipt of such interest income by the Escrow Bank. The determination of the Successor Agency as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the Successor Agency, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Bank shall sell, redeem or otherwise dispose of the Defeasance Securities, provided that there are substituted therefor from the proceeds of the Defeasance Securities other Defeasance Securities, but only after the Successor Agency has obtained and delivered to the Escrow Bank (with a copy to [Ambac]): (i) an unqualified opinion of Nossaman LLP, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the Prior Bonds and [that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of the Prior Bonds or interest with respect to the 2017A Bonds]; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and interest with respect to the Prior Bonds when due on and prior to the Redemption Date and to pay the Redemption Price of the Prior Bonds on the Redemption Date. The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Prior Bonds.

- (a) Payment. From the maturing principal of the Defeasance Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Bank shall apply the amounts on deposit in the Escrow Fund to pay when due, all regularly scheduled payments of principal and interest with respect to the Prior Bonds when due on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date.
- (b) Irrevocable Instructions to Provide Notice. The form of the notices required to be mailed pursuant to Sections [3.02(c) and 10.03] of the Prior Indenture is substantially in the form attached hereto as Exhibits A and B. The Successor Agency hereby irrevocably instructs the Escrow Bank to mail a notice of redemption and notice of defeasance in accordance with Sections [3.02(c) and 10.03] of the Prior Indenture. The Successor Agency hereby irrevocably instructs the Escrow Bank to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") the notice attached hereto as Exhibit A no later than _______, 2017 and the notice attached hereto as Exhibit B no later than 10 days after the deposit of the moneys as set forth in Section 1 hereof.

- (c) <u>Unclaimed Moneys</u>. Any moneys which remain unclaimed for two years after ______, 2017 shall be repaid by the Escrow Bank to the Successor Agency.
- (d) <u>Priority of Payments</u>. The owners of the Prior Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Agreement.
- (e) <u>Termination of Obligation</u>. As provided in the Prior Indenture, upon deposit of moneys with the Escrow Bank in the Escrow Fund as set forth in Section 1 hereof, the owners of the Prior Bonds shall cease to be entitled to the pledge of and lien on the Revenues as provided in the Prior Indenture, and all agreements and covenants of the Commission and the Trustee under the Prior Indenture shall cease, terminate and become void and shall be discharged and satisfied, except as set forth in the Prior Indenture.
- SECTION 6. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to the making of payments of principal and interest with respect to the Prior Bonds and relating to the exchange or transfer of the Prior Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in [Article VII] of the Prior Indenture relating to the removal, resignation and merger of the Prior Bonds Trustee under the Prior Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any removal, resignation or merger of the Escrow Bank hereunder.
- SECTION 7. <u>Performance of Duties</u>. The Escrow Bank agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.
- SECTION 8. Escrow Bank's Authority to Make Investments. Except as provided in Section 5 hereof, the Escrow Bank shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys held hereunder.
- SECTION 9. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank's respective employees or the willful breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

SECTION 10. Responsibilities of Escrow Bank. The Escrow Bank and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Successor Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the Prior Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Successor Agency.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 11. Amendments. This Agreement is made for the benefit of the Successor Agency, the Successor Agency and the owners from time to time of the Prior Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank, the Successor Agency; provided, however, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the Prior Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the Prior Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of Nossaman LLP, with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 12. <u>Notice to S&P</u>. The Successor Agency agrees to provide S&P Global Ratings, a Standard & Poor's Financial Services, LLC business, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 11 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each

amendment hereto entered into pursuant to Section 11 hereof, and (ii) any action relating to severability or contemplated by Section 15 hereof.

SECTION 13. <u>Term</u>. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the Prior Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 5(c) of this Agreement.

SECTION 14. <u>Compensation</u>. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. <u>Counterparts</u>. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 18. <u>Holidays</u>. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. <u>Assignment</u>. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 20. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

SECTION 21. <u>Insufficient Funds</u>. If at any time the Escrow Bank has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Bank shall notify the Successor Agency in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Bank shall have no responsibility regarding any such deficiency.

SECTION 22. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at ______, Attention: _____. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, 1243 National City Blvd., National City, California 91950, Attention: Executive Director (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and attested as of the date first above written.

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

Ву:					
	Executive Director	₩			

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

as Es	scrow Bank and Prior Bonds Trustee
By:	
	Authorized Officer

SCHEDULE A

ESCROW CASH FLOW

Date	Total Cash Deposit	Cash Disbursement from Escrow	Cash Balance
Beginning Balance: 1, 2017	\$	\$	\$ \$0.00
Total	\$	\$	

EXHIBIT A

NOTICE OF REDEMPTION

	NAL CITY I	REDEVEL	OPMENT PROJECT EFUNDING] BONDS)
	BASE C	USIP† NO		
NOTICE IS HEREBY the former Community Devel issued on, 20 "Indenture"), by and between to in the amount of \$ "Redemption Date").	lopment Com pursuant the Agency as	nmission of to an Indea	the City of National nture of Trust dated a (the "Trustee"), that t	City (the "Agency"), as of (the the Bonds listed below
AND THE PROPERTY OF THE PROPER	urity ust 1)	Rate	Amount	Price

The Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date (the "Redemption Price"). The Redemption Price of the Bonds will become due and payable on the Redemption Date. Interest on the Bonds to be redeemed will cease to accrue and be payable on and after the Redemption Date, and such Bonds will be surrendered to the Trustee.

Payment of the Redemption Price on the Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as successor to the Agency, nor the Trustee takes any responsibility for the accuracy of such numbers.

By Hand, Mail or Overnight Mail: [TRUSTEE]

Attn: Bond Redemption

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the Trustee on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

A form W-9 must be submitted with the Prior Bonds. Failure to provide a completed form W-9, or certify the proper tax identification number will result in backup withholding under Section 3406 of the Internal Revenue Code of 1986, as amended.

Date:	. 2017	as Trustee
Date.	. 201 <i>1</i>	as itusua

EXHIBIT B

NOTICE OF DEFEASANCE

COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY (NATIONAL CITY REDEVELOPMENT PROJECT) TAX ALLOCATION [REFUNDING] BONDS [SERIES]					
	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP
Notice is her the "Refunded Bonds	The second secon	ne owners of the a	bove-captioned a	and listed bonds	(collectively,
certain monies and in	nvestment secundenture") by ment Commiss for the purpose will mature and moneys depress on the Refunded Bonds on	and betweension of the City of ose of defeasing at the proper times sosited with the Estanded Bonds throup, 20	by that certain I, as trust National City pu and redeeming and in the propercy Agent, will gh and including 17 at redemption	Indenture of Trustee (the "Trusteersuant to which the Refunded Experience amounts to profile the sufficient (25, 2, 2, 2)	at dated as of the") and the the Refunded Bonds. The roduce funds a) to pay the 2017, and (b)
(ii) The Community Develop Agency"), as succe Redevelopment Ageredeem the Refunded	ment Commiss essor to the C ncy, to mail a	Community Devel notice of redemp	l City Redevelop opment Committion in accordan	ment Agency (the ssion as the N	e "Successor ational City
(iii) The Handenture and all lidischarged except for interest on and Rede Escrow Fund in acco	ability of the or the obligation mption Price or	n of the Trustee to f the Refunded Bo	y under the Indo o pay the owner nds when due fro	lenture has cease s of the Refunde	ed and been ed Bonds the
Dated:,2	2017	as Escre	ow Agent		

Exhibit B-1

CONTINUING DISCLOSURE CERTIFICATE

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A

and

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B

and

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY TAXABLE TAX ALLOCATION HOUSING REFUNDING BONDS, SERIES 2017C

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency") in connection with the execution and delivery of the above-referenced bonds (the "Bonds"). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of ________1, 2017, by and between the Successor Agency and _______, as trustee (the "Indenture").

The Successor Agency covenants and agrees as follows:

Section 1. <u>Purpose of the Disclosure Certificate</u>. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. <u>Definitions</u>. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" means each March 31, commencing March 31, 2018, or the date that is nine months after the end of the Successor Agency's fiscal year if the Successor Agency's fiscal year is changed (the Successor Agency's fiscal year currently ends June 30).

"Dissemination Agent" means _________, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

"Participating Underwriter" means ______, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

- The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing with the report for the 2016-17 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.
- (b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner and in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.
 - (c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports;
- (ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.
- Section 4. <u>Content of Annual Reports</u>. The Annual Report shall contain or incorporate by reference the following:
- (a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:
- (i) The ten largest property taxpayers in the Project Area for the current fiscal year only in the form of Table 2 to the Official Statement.
- (ii) The assessed value of property in the Project Area for the current fiscal year only in the form of Table 3 in the Official Statement.
- (iii) The coverage ratio provided by Pledged Tax Revenues in the Project Area with respect to debt service on the Bonds and any Parity Debt for the current fiscal year only, in the form of Table 9 in the Official Statement without any requirement to update any projected Pledged Tax Revenues set forth in Table 9.
- (c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- (a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:
 - (1) Principal and interest payment delinquencies.
 - (2) Non-payment related defaults, if material.

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice of the underlying event is given to holders of affected Bonds under the Indenture.
- (c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of

- U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.
- (d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.
- Section 6. <u>Identifying Information for Filings with the MSRB</u>. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.
- Section 7. <u>Termination of Reporting Obligation</u>. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).
- Section 8. <u>Dissemination Agent</u>. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be ______. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.
- Section 9. <u>Amendment; Waiver</u>. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:
- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or

(ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. <u>Default</u>. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's

negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

- (b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.
- Section 13. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.
- Section 14. <u>Counterparts</u>. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date:, 2017	
	SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY
	By:Executive Director
AGREED AND ACCEPTED:	
as Dissemination Agent	
Ву:	
Name:	<u> </u>

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

	Name of Issuer:	Successor Agency to the Community Development Commission as the National City Redevelopment Agency
	Name of Issue:	Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A
		and
		Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B
		and
		Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Housing Refunding Bonds, Series 2017C
	Date of Issuance:	, 2017
	with respect to the ab	BY GIVEN that the Successor Agency has not provided an Annual sove-named Bonds as required by the Indenture of Trust, dated as of d between the Successor Agency and, as trustee. The that the Annual Report will be filed by
Dated:		
		DISSEMINATION AGENT:
		By:

ESTIMATED SOURCES AND USES AND SAVINGS ANALYSIS

SOURCES AND USES OF FUNDS	
Sources of Funds:	
Par Amount of Bonds	\$44,195,000
Reoffering Premium	\$5,566,246
Transfers from Funds Held	\$5,284,768
Total Sources	\$55,046,014
Uses of Funds:	
Deposit to Escrow Fund	\$53,912,168
Costs of Issuance*	\$1,133,847
Debt Service Reserve Fund	#2 25 3/ 2
Total Uses	\$55,046,014

^{*} Estimated; includes costs for bond insurance, debt service reserve fund surety, bond and disclosure counsel, municipal advisor, fiscal consultant, rating, trustee, and other miscellaneous costs.

	Prior Gross	Refunding Gross	
Date (Aug 1)	Debt Service	Debt Service	Savings
2018	\$5,249,378	\$4,497,600	\$751,778
2019	\$5,311,628	\$4,561,800	\$749,828
2020	\$5,312,065	\$4,562,000	\$750,065
2021	\$5,169,365	\$4,417,250	\$752,115
2022	\$5,169,440	\$4,418,250	\$751,190
2023	\$5,167,130	\$4,417,750	\$749,380
2024	\$5,163,306	\$4,410,500	\$752,806
2025	\$5,164,350	\$4,416,500	\$747,850
2026	\$4,813,475	\$4,064,750	\$748,725
2027	\$4,725,550	\$3,972,750	\$752,800
2028	\$4,717,756	\$3,968,000	\$749,756
2029	\$4,667,656	\$3,916,000	\$751,656
2030	\$4,659,363	\$3,908,750	\$750,613
2031	\$4,393,888	\$3,643,750	\$750,138
2032	\$4,393,588	\$3,643,500	\$750,088
TOTAL GROSS SAVINGS		\$11,258,786	
		Less: Old DSRF	\$(5,284,768)
		Plus: New DSRF	(#S
	NET CA	SH FLOW SAVINGS	\$5,974,018

RESOLUTION NO. 2017 -

RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING
THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS
IN AN AMOUNT OF NOT TO EXCEED \$58,000,000, AND APPROVING
THE FORM OF AN INDENTURE OF TRUST, A FORM ESCROW
AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND
AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Community Development Commission as the National City Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the Redevelopment Plan for the National City Redevelopment Project Area was adopted and approved, and subsequently amended, in compliance with all requirements of the Law and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Community Development Commission of the City of National ("CDC"), of which the Prior Agency was a member, has previously incurred the obligations listed on Exhibit "A", attached hereto (collectively, the "Prior Bonds"); and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the dissolution of the redevelopment component of the Prior Agency as of February 1, 2012; and

WHEREAS, the Prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency"); and

WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

Resolution No. 2017 – Page Two

WHEREAS, the Successor Agency now desires to authorize and approve the issuance of tax allocation refunding bonds (the "2017 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds, and to irrevocably set aside a portion of the proceeds of such 2017 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Bonds being refunded, to pay costs in connection with the issuance of the 2017 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

WHEREAS, the 2017 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency as follows:

Section 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2017 Bonds, in one or more series, and from time to time, in an aggregate principal amount of not to exceed \$58,000,000, or such lesser amount as is sufficient to refund all or a portion of the Prior Bonds for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2017 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2017 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2017 Bonds shall be applied as provided in the Indenture. The 2017 Bonds may be issued as a single issue, or from time to time, in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2017 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2017 Bonds and the sale of the 2017 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

Section 2. The form of the Indenture of Trust providing for the issuance of the 2017 Bonds, is hereby approved. The Chairman, the Executive Director, and the Assistant Executive Director, any other member of the governing board of the Successor Agency or their respective written designee (each a "Designated Officer" and collectively, the "Designated Officers") are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Indenture, in substantially said form, with such changes therein as the Designated Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. If the Bonds are to be sold in separate series at different times, each of the Designated Officers is hereby authorized and

Resolution No. 2017 – Page Three

directed in the name of the Successor Agency to execute any supplement to the Indenture to provide for the issuance of such Series of Bonds consistent with the terms of the Resolution.

Each of the Designated Officers is hereby authorized and directed to execute and countersign each of the 2017 Bond forms on behalf of the Successor Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2017 Bonds on behalf of the Successor Agency. In case either of such officers whose signature appears on the 2017 Bond forms shall cease to be such officer before the delivery of the 2017 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2017 Bonds.

Section 3. The form of the Escrow Agreement is hereby approved. The Designated Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Escrow Agreements for each series of Prior Bonds in substantially said form, with such changes therein as the Designated Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of the Continuing Disclosure Certificate is hereby approved. The Designated Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as the Designated Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Each of the Designated Officers and other appropriate officers of the Successor Agency, acting alone, is authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts that they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2017 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2017 Bonds, the Indenture, the Continuing Disclosure Certificate and the Escrow Agreements, each in order to facilitate the issuance of the 2017 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, to amend any of the legal documents entered in connection with the Prior Bonds in order to effectuate the defeasance and refunding of such Prior Bonds, to execute irrevocable refunding instructions with respect to the Prior Bonds, to secure municipal bond insurance on the 2017 Bonds and/or a reserve surety to fund any reserve account or fund established for the 2017 Bonds, if available (which may include entering into a mutual insurance agreement(s) therefor), to enter into an agreement to sell the 2017 Bonds (provided that the underwriters' discount for the sale of the 2017 Bonds shall not exceed 1.00% of the aggregate principal amount of the 2017 Bonds), to request subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2017 Bonds, as the Designated Officer may require or approve, in consultation with Bond Counsel and the Successor Agency's municipal advisor, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Resolution No. 2017 – Page Four

Successor Agency Counsel

Section 6. NHA Advisors is hereby appointed financial advisor, and Nossaman LLP is hereby appointed bond counsel and disclosure counsel, each to provide such services and any other related services as may be required to issue the 2017 Bonds and to defease and/or refund the Prior Bonds.

Section 7. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 8. This Resolution shall take effect immediately upon its adoption by the governing board of the Successor Agency, and the Secretary shall certify the vote adopting this resolution.

PASSED and ADOPTED this 20th day of June, 2017.

	Ron Morrison, Chairman
ATTEST:	
Michael R. Dalla, City Clerk as Secretary to the Successor Agency	
APPROVED AS TO FORM:	
Angil P. Morris-Jones	

EXHIBIT "A"

PRIOR BONDS

- 1. Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project)
- 2. Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series "B"
- 3. Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2011 Tax Allocation Bonds